



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4161

by Rep. La Shawn K. Ford

SYNOPSIS AS INTRODUCED:

See Index

Amends the Industrial Hemp Act. Changes the short title of the Act to the Hemp Act. Permits the wholesale and retail sale of cannabinoids, hemp concentrate, or any other intermediate hemp cannabinoid products. Provides that no person shall offer or sell cannabinoid products, particularly packaged hemp products, to consumers in the State unless the person applies for and holds a hemp retailer license issued by the Department of Financial and Professional Regulation. Provides that no person shall sell ready-to-eat hemp products to end consumers without applying for and holding a hemp food establishment license issued by the Department of Public Health. Provides that no person shall sell cannabinoid product to any person under the age of 21 unless the person is a medical cardholder registered under the Compassionate Use of Medical Cannabis Program Act. Provides that the Department of Agriculture may not limit the number of hemp farm licenses. Provides that no person shall cultivate or grow hemp for commercial purposes unless licensed by the Department of Agriculture and subject to the rules of the Department. Provides that hemp farms may not create hemp extractions without a processor license. Provides that hemp farms may not engage in retail sales without a hemp retailer license. Provides that hemp farms may not create hemp extractions without a processor license. Provides that hemp farms may not engage in retail sales without a hemp retailer license. Creates in the State treasury a special fund known as the Hemp Social Equity Fund. Provides that 25% of all moneys deposited into the Hemp Regulatory Fund shall be transferred into the Hemp Social Equity Fund. Provides that, beginning on July 1, 2024, a tax is imposed upon purchases of all hemp cannabinoid products (hemp cannabinoid products for inhalation, hemp cannabinoid products for ingestion, and ready-to-eat hemp cannabinoid products) at a rate of 5% of the purchase price of the cannabinoid products. Defines terms. Preempts home rule powers. Amends the State Finance Act, Cannabis Regulation and Tax Act, the Illinois Noxious Weed Law, the Cannabis Control Act, the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act to make conforming changes. Effective immediately.

LRB103 34685 AWJ 64530 b

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Use Tax Act is amended by changing Section 9
5 as follows:

6 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

7 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
8 and trailers that are required to be registered with an agency
9 of this State, each retailer required or authorized to collect
10 the tax imposed by this Act shall pay to the Department the
11 amount of such tax (except as otherwise provided) at the time
12 when he is required to file his return for the period during
13 which such tax was collected, less a discount of 2.1% prior to
14 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
15 per calendar year, whichever is greater, which is allowed to
16 reimburse the retailer for expenses incurred in collecting the
17 tax, keeping records, preparing and filing returns, remitting
18 the tax and supplying data to the Department on request. When
19 determining the discount allowed under this Section, retailers
20 shall include the amount of tax that would have been due at the
21 6.25% rate but for the 1.25% rate imposed on sales tax holiday
22 items under Public Act 102-700 ~~this amendatory Act of the~~
23 ~~102nd General Assembly~~. The discount under this Section is not

1 allowed for the 1.25% portion of taxes paid on aviation fuel
2 that is subject to the revenue use requirements of 49 U.S.C.
3 47107(b) and 49 U.S.C. 47133. When determining the discount
4 allowed under this Section, retailers shall include the amount
5 of tax that would have been due at the 1% rate but for the 0%
6 rate imposed under Public Act 102-700 ~~this amendatory Act of~~
7 ~~the 102nd General Assembly~~. In the case of retailers who
8 report and pay the tax on a transaction by transaction basis,
9 as provided in this Section, such discount shall be taken with
10 each such tax remittance instead of when such retailer files
11 his periodic return. The discount allowed under this Section
12 is allowed only for returns that are filed in the manner
13 required by this Act. The Department may disallow the discount
14 for retailers whose certificate of registration is revoked at
15 the time the return is filed, but only if the Department's
16 decision to revoke the certificate of registration has become
17 final. A retailer need not remit that part of any tax collected
18 by him to the extent that he is required to remit and does
19 remit the tax imposed by the Retailers' Occupation Tax Act,
20 with respect to the sale of the same property.

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

1 to be registered with an agency of this State), may collect for
2 each tax return period, only the tax applicable to that part of
3 the selling price actually received during such tax return
4 period.

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

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

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

- 24 1. The name of the seller;
- 25 2. The address of the principal place of business from
26 which he engages in the business of selling tangible

1 personal property at retail in this State;

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

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

9 5. The amount of tax due;

10 5-5. The signature of the taxpayer; and

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

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

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

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

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

9 Notwithstanding any other provision of this Act to the
10 contrary, retailers subject to a cannabinoid retail tax under
11 the Hemp Act shall file all cannabinoid retail tax returns and
12 shall make all cannabinoid retail tax payments by electronic
13 means in the manner and form required by the Department.

14 Beginning October 1, 1993, a taxpayer who has an average
15 monthly tax liability of \$150,000 or more shall make all
16 payments required by rules of the Department by electronic
17 funds transfer. Beginning October 1, 1994, a taxpayer who has
18 an average monthly tax liability of \$100,000 or more shall
19 make all payments required by rules of the Department by
20 electronic funds transfer. Beginning October 1, 1995, a
21 taxpayer who has an average monthly tax liability of \$50,000
22 or more shall make all payments required by rules of the
23 Department by electronic funds transfer. Beginning October 1,
24 2000, a taxpayer who has an annual tax liability of \$200,000 or
25 more shall make all payments required by rules of the
26 Department by electronic funds transfer. The term "annual tax

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

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

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

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

25 The Department shall adopt such rules as are necessary to
26 effectuate a program of electronic funds transfer and the

1 requirements of this Section.

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

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

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

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

1 preceding year" shall be determined as if the rate reduction
2 to 0% in Public Act 102-700 ~~this amendatory Act of the 102nd~~
3 ~~General Assembly~~ had not occurred. If any such quarter monthly
4 payment is not paid at the time or in the amount required by
5 this Section, then the taxpayer shall be liable for penalties
6 and interest on the difference between the minimum amount due
7 and the amount of such quarter monthly payment actually and
8 timely paid, except insofar as the taxpayer has previously
9 made payments for that month to the Department in excess of the
10 minimum payments previously due as provided in this Section.
11 The Department shall make reasonable rules and regulations to
12 govern the quarter monthly payment amount and quarter monthly
13 payment dates for taxpayers who file on other than a calendar
14 monthly basis.

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

1 prescribed by the Department, except that if such excess
2 payment is shown on an original monthly return and is made
3 after December 31, 1986, no credit memorandum shall be issued,
4 unless requested by the taxpayer. If no such request is made,
5 the taxpayer may credit such excess payment against tax
6 liability subsequently to be remitted by the taxpayer to the
7 Department under this Act, the Retailers' Occupation Tax Act,
8 the Service Occupation Tax Act or the Service Use Tax Act, in
9 accordance with reasonable rules and regulations prescribed by
10 the Department. If the Department subsequently determines that
11 all or any part of the credit taken was not actually due to the
12 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
13 be reduced by 2.1% or 1.75% of the difference between the
14 credit taken and that actually due, and the taxpayer shall be
15 liable for penalties and interest on such difference.

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

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

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

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

17 In addition, with respect to motor vehicles, watercraft,
18 aircraft, and trailers that are required to be registered with
19 an agency of this State, except as otherwise provided in this
20 Section, every retailer selling this kind of tangible personal
21 property shall file, with the Department, upon a form to be
22 prescribed and supplied by the Department, a separate return
23 for each such item of tangible personal property which the
24 retailer sells, except that if, in the same transaction, (i) a
25 retailer of aircraft, watercraft, motor vehicles or trailers
26 transfers more than one aircraft, watercraft, motor vehicle or

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

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

1 other provision of this Act to the contrary, all returns filed
2 under this paragraph must be filed by electronic means in the
3 manner and form as required by the Department.

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

25 The transaction reporting return in the case of watercraft
26 and aircraft must show the name and address of the seller; the

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

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

1 applications for title or registration.

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

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

23 If the user who would otherwise pay tax to the retailer
24 wants the transaction reporting return filed and the payment
25 of tax or proof of exemption made to the Department before the
26 retailer is willing to take these actions and such user has not

1 paid the tax to the retailer, such user may certify to the fact
2 of such delay by the retailer, and may (upon the Department
3 being satisfied of the truth of such certification) transmit
4 the information required by the transaction reporting return
5 and the remittance for tax or proof of exemption directly to
6 the Department and obtain his tax receipt or exemption
7 determination, in which event the transaction reporting return
8 and tax remittance (if a tax payment was required) shall be
9 credited by the Department to the proper retailer's account
10 with the Department, but without the 2.1% or 1.75% discount
11 provided for in this Section being allowed. When the user pays
12 the tax directly to the Department, he shall pay the tax in the
13 same amount and in the same form in which it would be remitted
14 if the tax had been remitted to the Department by the retailer.

15 Where a retailer collects the tax with respect to the
16 selling price of tangible personal property which he sells and
17 the purchaser thereafter returns such tangible personal
18 property and the retailer refunds the selling price thereof to
19 the purchaser, such retailer shall also refund, to the
20 purchaser, the tax so collected from the purchaser. When
21 filing his return for the period in which he refunds such tax
22 to the purchaser, the retailer may deduct the amount of the tax
23 so refunded by him to the purchaser from any other use tax
24 which such retailer may be required to pay or remit to the
25 Department, as shown by such return, if the amount of the tax
26 to be deducted was previously remitted to the Department by

1 such retailer. If the retailer has not previously remitted the
2 amount of such tax to the Department, he is entitled to no
3 deduction under this Act upon refunding such tax to the
4 purchaser.

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

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

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

24 Beginning January 1, 1990, each month the Department shall
25 pay into the State and Local Sales Tax Reform Fund, a special
26 fund in the State Treasury which is hereby created, the net

1 revenue realized for the preceding month from the 1% tax
2 imposed under this Act.

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

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

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

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

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

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

23 Beginning October 1, 2009, each month the Department shall
24 pay into the Capital Projects Fund an amount that is equal to
25 an amount estimated by the Department to represent 80% of the
26 net revenue realized for the preceding month from the sale of

1 candy, grooming and hygiene products, and soft drinks that had
2 been taxed at a rate of 1% prior to September 1, 2009 but that
3 are now taxed at 6.25%.

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

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

1 excluding payments made pursuant to this paragraph.

2 Beginning July 1, 2015, of the remainder of the moneys
3 received by the Department under this Act, the Service Use Tax
4 Act, the Service Occupation Tax Act, and the Retailers'
5 Occupation Tax Act, each month the Department shall deposit
6 \$500,000 into the State Crime Laboratory Fund.

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

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

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

21 Subject to payment of amounts into the Build Illinois Fund
22 as provided in the preceding paragraph or in any amendment
23 thereto hereafter enacted, the following specified monthly
24 installment of the amount requested in the certificate of the
25 Chairman of the Metropolitan Pier and Exposition Authority
26 provided under Section 8.25f of the State Finance Act, but not

1 in excess of the sums designated as "Total Deposit", shall be
2 deposited in the aggregate from collections under Section 9 of
3 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
4 9 of the Service Occupation Tax Act, and Section 3 of the
5 Retailers' Occupation Tax Act into the McCormick Place
6 Expansion Project Fund in the specified fiscal years.

7	Fiscal Year	Total Deposit
8	1993	\$0
9	1994	53,000,000
10	1995	58,000,000
11	1996	61,000,000
12	1997	64,000,000
13	1998	68,000,000
14	1999	71,000,000
15	2000	75,000,000
16	2001	80,000,000
17	2002	93,000,000
18	2003	99,000,000
19	2004	103,000,000
20	2005	108,000,000
21	2006	113,000,000
22	2007	119,000,000
23	2008	126,000,000
24	2009	132,000,000
25	2010	139,000,000
26	2011	146,000,000

1	2012	153,000,000
2	2013	161,000,000
3	2014	170,000,000
4	2015	179,000,000
5	2016	189,000,000
6	2017	199,000,000
7	2018	210,000,000
8	2019	221,000,000
9	2020	233,000,000
10	2021	300,000,000
11	2022	300,000,000
12	2023	300,000,000
13	2024	300,000,000
14	2025	300,000,000
15	2026	300,000,000
16	2027	375,000,000
17	2028	375,000,000
18	2029	375,000,000
19	2030	375,000,000
20	2031	375,000,000
21	2032	375,000,000
22	2033	375,000,000
23	2034	375,000,000
24	2035	375,000,000
25	2036	450,000,000
26	and	

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

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

21 Subject to payment of amounts into the Capital Projects
22 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
23 and the McCormick Place Expansion Project Fund pursuant to the
24 preceding paragraphs or in any amendments thereto hereafter
25 enacted, for aviation fuel sold on or after December 1, 2019,
26 the Department shall each month deposit into the Aviation Fuel

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

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

16 Subject to payment of amounts into the Build Illinois Fund
17 and the McCormick Place Expansion Project Fund pursuant to the
18 preceding paragraphs or in any amendments thereto hereafter
19 enacted, beginning with the receipt of the first report of
20 taxes paid by an eligible business and continuing for a
21 25-year period, the Department shall each month pay into the
22 Energy Infrastructure Fund 80% of the net revenue realized
23 from the 6.25% general rate on the selling price of
24 Illinois-mined coal that was sold to an eligible business. For
25 purposes of this paragraph, the term "eligible business" means
26 a new electric generating facility certified pursuant to

1 Section 605-332 of the Department of Commerce and Economic
2 Opportunity Law of the Civil Administrative Code of Illinois.

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

22 Subject to payments of amounts into the Build Illinois
23 Fund, the McCormick Place Expansion Project Fund, the Illinois
24 Tax Increment Fund, the Energy Infrastructure Fund, and the
25 Tax Compliance and Administration Fund as provided in this
26 Section, beginning on July 1, 2018 the Department shall pay

1 each month into the Downstate Public Transportation Fund the
2 moneys required to be so paid under Section 2-3 of the
3 Downstate Public Transportation Act.

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

25	Fiscal Year.....	Total Deposit
26	2024	\$200,000,000

1	2025	.....	\$206,000,000
2	2026	.....	\$212,200,000
3	2027	.....	\$218,500,000
4	2028	.....	\$225,100,000
5	2029	.....	\$288,700,000
6	2030	.....	\$298,900,000
7	2031	.....	\$309,300,000
8	2032	.....	\$320,100,000
9	2033	.....	\$331,200,000
10	2034	.....	\$341,200,000
11	2035	.....	\$351,400,000
12	2036	.....	\$361,900,000
13	2037	.....	\$372,800,000
14	2038	.....	\$384,000,000
15	2039	.....	\$395,500,000
16	2040	.....	\$407,400,000
17	2041	.....	\$419,600,000
18	2042	.....	\$432,200,000
19	2043	.....	\$445,100,000

20 Beginning July 1, 2021 and until July 1, 2022, subject to
21 the payment of amounts into the State and Local Sales Tax
22 Reform Fund, the Build Illinois Fund, the McCormick Place
23 Expansion Project Fund, the Illinois Tax Increment Fund, the
24 Energy Infrastructure Fund, and the Tax Compliance and
25 Administration Fund as provided in this Section, the
26 Department shall pay each month into the Road Fund the amount

1 estimated to represent 16% of the net revenue realized from
2 the taxes imposed on motor fuel and gasohol. Beginning July 1,
3 2022 and until July 1, 2023, subject to the payment of amounts
4 into the State and Local Sales Tax Reform Fund, the Build
5 Illinois Fund, the McCormick Place Expansion Project Fund, the
6 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
7 and the Tax Compliance and Administration Fund as provided in
8 this Section, the Department shall pay each month into the
9 Road Fund the amount estimated to represent 32% of the net
10 revenue realized from the taxes imposed on motor fuel and
11 gasohol. Beginning July 1, 2023 and until July 1, 2024,
12 subject to the payment of amounts into the State and Local
13 Sales Tax Reform Fund, the Build Illinois Fund, the McCormick
14 Place Expansion Project Fund, the Illinois Tax Increment Fund,
15 the Energy Infrastructure Fund, and the Tax Compliance and
16 Administration Fund as provided in this Section, the
17 Department shall pay each month into the Road Fund the amount
18 estimated to represent 48% of the net revenue realized from
19 the taxes imposed on motor fuel and gasohol. Beginning July 1,
20 2024 and until July 1, 2025, subject to the payment of amounts
21 into the State and Local Sales Tax Reform Fund, the Build
22 Illinois Fund, the McCormick Place Expansion Project Fund, the
23 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
24 and the Tax Compliance and Administration Fund as provided in
25 this Section, the Department shall pay each month into the
26 Road Fund the amount estimated to represent 64% of the net

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

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

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

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

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

12 (Source: P.A. 101-10, Article 15, Section 15-10, eff. 6-5-19;
13 101-10, Article 25, Section 25-105, eff. 6-5-19; 101-27, eff.
14 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;
15 101-636, eff. 6-10-20; 102-700, Article 60, Section 60-15,
16 eff. 4-19-22; 102-700, Article 65, Section 65-5, eff. 4-19-22;
17 102-1019, eff. 1-1-23; revised 12-13-22.)

18 Section 10. The Service Use Tax Act is amended by changing
19 Section 9 as follows:

20 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

21 Sec. 9. Each serviceman required or authorized to collect
22 the tax herein imposed shall pay to the Department the amount
23 of such tax (except as otherwise provided) at the time when he
24 is required to file his return for the period during which such

1 tax was collected, less a discount of 2.1% prior to January 1,
2 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
3 year, whichever is greater, which is allowed to reimburse the
4 serviceman for expenses incurred in collecting the tax,
5 keeping records, preparing and filing returns, remitting the
6 tax and supplying data to the Department on request. When
7 determining the discount allowed under this Section,
8 servicemen shall include the amount of tax that would have
9 been due at the 1% rate but for the 0% rate imposed under this
10 amendatory Act of the 102nd General Assembly. The discount
11 under this Section is not allowed for the 1.25% portion of
12 taxes paid on aviation fuel that is subject to the revenue use
13 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
14 discount allowed under this Section is allowed only for
15 returns that are filed in the manner required by this Act. The
16 Department may disallow the discount for servicemen whose
17 certificate of registration is revoked at the time the return
18 is filed, but only if the Department's decision to revoke the
19 certificate of registration has become final. A serviceman
20 need not remit that part of any tax collected by him to the
21 extent that he is required to pay and does pay the tax imposed
22 by the Service Occupation Tax Act with respect to his sale of
23 service involving the incidental transfer by him of the same
24 property.

25 Except as provided hereinafter in this Section, on or
26 before the twentieth day of each calendar month, such

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

26 On and after January 1, 2018, with respect to servicemen

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

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

14 1. The name of the seller;

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

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

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

24 5. The amount of tax due;

25 5-5. The signature of the taxpayer; and

26 6. Such other reasonable information as the Department

1 may require.

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

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

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

25 Notwithstanding any other provision of this Act to the
26 contrary, servicemen subject to a cannabinoid retail tax under

1 the Hemp Act shall file all cannabinoid retail tax returns and
2 shall make all cannabinoid retail tax payments by electronic
3 means in the manner and form required by the Department.

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

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

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

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

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

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

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

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

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

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

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

19 Where a serviceman collects the tax with respect to the
20 selling price of property which he sells and the purchaser
21 thereafter returns such property and the serviceman refunds
22 the selling price thereof to the purchaser, such serviceman
23 shall also refund, to the purchaser, the tax so collected from
24 the purchaser. When filing his return for the period in which
25 he refunds such tax to the purchaser, the serviceman may
26 deduct the amount of the tax so refunded by him to the

1 purchaser from any other Service Use Tax, Service Occupation
2 Tax, retailers' occupation tax or use tax which such
3 serviceman may be required to pay or remit to the Department,
4 as shown by such return, provided that the amount of the tax to
5 be deducted shall previously have been remitted to the
6 Department by such serviceman. If the serviceman shall not
7 previously have remitted the amount of such tax to the
8 Department, he shall be entitled to no deduction hereunder
9 upon refunding such tax to the purchaser.

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

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

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

26 Beginning January 1, 1990, each month the Department shall

1 pay into the State and Local Tax Reform Fund, a special fund in
2 the State Treasury, the net revenue realized for the preceding
3 month from the 1% tax imposed under this Act.

4 Beginning January 1, 1990, each month the Department shall
5 pay into the State and Local Sales Tax Reform Fund 20% of the
6 net revenue realized for the preceding month from the 6.25%
7 general rate on transfers of tangible personal property, other
8 than (i) tangible personal property which is purchased outside
9 Illinois at retail from a retailer and which is titled or
10 registered by an agency of this State's government and (ii)
11 aviation fuel sold on or after December 1, 2019. This
12 exception for aviation fuel only applies for so long as the
13 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
14 47133 are binding on the State.

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

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

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

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

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

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

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

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

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

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

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

1	2012	153,000,000
2	2013	161,000,000
3	2014	170,000,000
4	2015	179,000,000
5	2016	189,000,000
6	2017	199,000,000
7	2018	210,000,000
8	2019	221,000,000
9	2020	233,000,000
10	2021	300,000,000
11	2022	300,000,000
12	2023	300,000,000
13	2024	300,000,000
14	2025	300,000,000
15	2026	300,000,000
16	2027	375,000,000
17	2028	375,000,000
18	2029	375,000,000
19	2030	375,000,000
20	2031	375,000,000
21	2032	375,000,000
22	2033	375,000,000
23	2034	375,000,000
24	2035	375,000,000
25	2036	450,000,000
26	and	

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

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

21 Subject to payment of amounts into the Capital Projects
22 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
23 and the McCormick Place Expansion Project Fund pursuant to the
24 preceding paragraphs or in any amendments thereto hereafter
25 enacted, for aviation fuel sold on or after December 1, 2019,
26 the Department shall each month deposit into the Aviation Fuel

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

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

16 Subject to payment of amounts into the Build Illinois Fund
17 and the McCormick Place Expansion Project Fund pursuant to the
18 preceding paragraphs or in any amendments thereto hereafter
19 enacted, beginning with the receipt of the first report of
20 taxes paid by an eligible business and continuing for a
21 25-year period, the Department shall each month pay into the
22 Energy Infrastructure Fund 80% of the net revenue realized
23 from the 6.25% general rate on the selling price of
24 Illinois-mined coal that was sold to an eligible business. For
25 purposes of this paragraph, the term "eligible business" means
26 a new electric generating facility certified pursuant to

1 Section 605-332 of the Department of Commerce and Economic
2 Opportunity Law of the Civil Administrative Code of Illinois.

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

22 Subject to payments of amounts into the Build Illinois
23 Fund, the McCormick Place Expansion Project Fund, the Illinois
24 Tax Increment Fund, the Energy Infrastructure Fund, and the
25 Tax Compliance and Administration Fund as provided in this
26 Section, beginning on July 1, 2018 the Department shall pay

1 each month into the Downstate Public Transportation Fund the
 2 moneys required to be so paid under Section 2-3 of the
 3 Downstate Public Transportation Act.

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

25	Fiscal Year.....	Total Deposit
26	2024	\$200,000,000

1	2025	.....	\$206,000,000
2	2026	.....	\$212,200,000
3	2027	.....	\$218,500,000
4	2028	.....	\$225,100,000
5	2029	.....	\$288,700,000
6	2030	.....	\$298,900,000
7	2031	.....	\$309,300,000
8	2032	.....	\$320,100,000
9	2033	.....	\$331,200,000
10	2034	.....	\$341,200,000
11	2035	.....	\$351,400,000
12	2036	.....	\$361,900,000
13	2037	.....	\$372,800,000
14	2038	.....	\$384,000,000
15	2039	.....	\$395,500,000
16	2040	.....	\$407,400,000
17	2041	.....	\$419,600,000
18	2042	.....	\$432,200,000
19	2043	.....	\$445,100,000

20 Beginning July 1, 2021 and until July 1, 2022, subject to
21 the payment of amounts into the State and Local Sales Tax
22 Reform Fund, the Build Illinois Fund, the McCormick Place
23 Expansion Project Fund, the Illinois Tax Increment Fund, the
24 Energy Infrastructure Fund, and the Tax Compliance and
25 Administration Fund as provided in this Section, the
26 Department shall pay each month into the Road Fund the amount

1 estimated to represent 16% of the net revenue realized from
2 the taxes imposed on motor fuel and gasohol. Beginning July 1,
3 2022 and until July 1, 2023, subject to the payment of amounts
4 into the State and Local Sales Tax Reform Fund, the Build
5 Illinois Fund, the McCormick Place Expansion Project Fund, the
6 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
7 and the Tax Compliance and Administration Fund as provided in
8 this Section, the Department shall pay each month into the
9 Road Fund the amount estimated to represent 32% of the net
10 revenue realized from the taxes imposed on motor fuel and
11 gasohol. Beginning July 1, 2023 and until July 1, 2024,
12 subject to the payment of amounts into the State and Local
13 Sales Tax Reform Fund, the Build Illinois Fund, the McCormick
14 Place Expansion Project Fund, the Illinois Tax Increment Fund,
15 the Energy Infrastructure Fund, and the Tax Compliance and
16 Administration Fund as provided in this Section, the
17 Department shall pay each month into the Road Fund the amount
18 estimated to represent 48% of the net revenue realized from
19 the taxes imposed on motor fuel and gasohol. Beginning July 1,
20 2024 and until July 1, 2025, subject to the payment of amounts
21 into the State and Local Sales Tax Reform Fund, the Build
22 Illinois Fund, the McCormick Place Expansion Project Fund, the
23 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
24 and the Tax Compliance and Administration Fund as provided in
25 this Section, the Department shall pay each month into the
26 Road Fund the amount estimated to represent 64% of the net

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

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

21 As soon as possible after the first day of each month, upon
22 certification of the Department of Revenue, the Comptroller
23 shall order transferred and the Treasurer shall transfer from
24 the General Revenue Fund to the Motor Fuel Tax Fund an amount
25 equal to 1.7% of 80% of the net revenue realized under this Act
26 for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required and shall not be made.

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

6 (Source: P.A. 101-10, Article 15, Section 15-15, eff. 6-5-19;
7 101-10, Article 25, Section 25-110, eff. 6-5-19; 101-27, eff.
8 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;
9 101-636, eff. 6-10-20; 102-700, eff. 4-19-22.)

10 Section 15. The Service Occupation Tax Act is amended by
11 changing Section 9 as follows:

12 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

13 Sec. 9. Each serviceman required or authorized to collect
14 the tax herein imposed shall pay to the Department the amount
15 of such tax at the time when he is required to file his return
16 for the period during which such tax was collectible, less a
17 discount of 2.1% prior to January 1, 1990, and 1.75% on and
18 after January 1, 1990, or \$5 per calendar year, whichever is
19 greater, which is allowed to reimburse the serviceman for
20 expenses incurred in collecting the tax, keeping records,
21 preparing and filing returns, remitting the tax and supplying
22 data to the Department on request. When determining the
23 discount allowed under this Section, servicemen shall include
24 the amount of tax that would have been due at the 1% rate but

1 for the 0% rate imposed under this amendatory Act of the 102nd
2 General Assembly. The discount under this Section is not
3 allowed for the 1.25% portion of taxes paid on aviation fuel
4 that is subject to the revenue use requirements of 49 U.S.C.
5 47107(b) and 49 U.S.C. 47133. The discount allowed under this
6 Section is allowed only for returns that are filed in the
7 manner required by this Act. The Department may disallow the
8 discount for servicemen whose certificate of registration is
9 revoked at the time the return is filed, but only if the
10 Department's decision to revoke the certificate of
11 registration has become final.

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

20 Except as provided hereinafter in this Section, on or
21 before the twentieth day of each calendar month, such
22 serviceman shall file a return for the preceding calendar
23 month in accordance with reasonable rules and regulations to
24 be promulgated by the Department of Revenue. Such return shall
25 be filed on a form prescribed by the Department and shall
26 contain such information as the Department may reasonably

1 require. The return shall include the gross receipts which
2 were received during the preceding calendar month or quarter
3 on the following items upon which tax would have been due but
4 for the 0% rate imposed under this amendatory Act of the 102nd
5 General Assembly: (i) food for human consumption that is to be
6 consumed off the premises where it is sold (other than
7 alcoholic beverages, food consisting of or infused with adult
8 use cannabis, soft drinks, and food that has been prepared for
9 immediate consumption); and (ii) food prepared for immediate
10 consumption and transferred incident to a sale of service
11 subject to this Act or the Service Use Tax Act by an entity
12 licensed under the Hospital Licensing Act, the Nursing Home
13 Care Act, the Assisted Living and Shared Housing Act, the
14 ID/DD Community Care Act, the MC/DD Act, the Specialized
15 Mental Health Rehabilitation Act of 2013, or the Child Care
16 Act of 1969, or an entity that holds a permit issued pursuant
17 to the Life Care Facilities Act. The return shall also include
18 the amount of tax that would have been due on the items listed
19 in the previous sentence but for the 0% rate imposed under this
20 amendatory Act of the 102nd General Assembly.

21 On and after January 1, 2018, with respect to servicemen
22 whose annual gross receipts average \$20,000 or more, all
23 returns required to be filed pursuant to this Act shall be
24 filed electronically. Servicemen who demonstrate that they do
25 not have access to the Internet or demonstrate hardship in
26 filing electronically may petition the Department to waive the

1 electronic filing requirement.

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

9 1. The name of the seller;

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

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

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

19 5. The amount of tax due;

20 5-5. The signature of the taxpayer; and

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

23 Each serviceman required or authorized to collect the tax
24 herein imposed on aviation fuel acquired as an incident to the
25 purchase of a service in this State during the preceding
26 calendar month shall, instead of reporting and paying tax as

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

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

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

20 Notwithstanding any other provision of this Act to the
21 contrary, servicemen subject to a cannabinoid retail tax under
22 the Hemp Act shall file all cannabinoid retail tax returns and
23 shall make all cannabinoid retail tax payments by electronic
24 means in the manner and form required by the Department.

25 Prior to October 1, 2003, and on and after September 1,
26 2004 a serviceman may accept a Manufacturer's Purchase Credit

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

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

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

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

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

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

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

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

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

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

26 All taxpayers required to make payment by electronic funds

1 transfer and any taxpayers authorized to voluntarily make
2 payments by electronic funds transfer shall make those
3 payments in the manner authorized by the Department.

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

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

24 If experience indicates such action to be practicable, the
25 Department may prescribe and furnish a combination or joint
26 return which will enable servicemen, who are required to file

1 returns hereunder and also under the Retailers' Occupation Tax
2 Act, the Use Tax Act or the Service Use Tax Act, to furnish all
3 the return information required by all said Acts on the one
4 form.

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

9 Beginning January 1, 1990, each month the Department shall
10 pay into the Local Government Tax Fund the revenue realized
11 for the preceding month from the 1% tax imposed under this Act.

12 Beginning January 1, 1990, each month the Department shall
13 pay into the County and Mass Transit District Fund 4% of the
14 revenue realized for the preceding month from the 6.25%
15 general rate on sales of tangible personal property other than
16 aviation fuel sold on or after December 1, 2019. This
17 exception for aviation fuel only applies for so long as the
18 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
19 47133 are binding on the State.

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

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

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

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

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

22 Beginning October 1, 2009, each month the Department shall
23 pay into the Capital Projects Fund an amount that is equal to
24 an amount estimated by the Department to represent 80% of the
25 net revenue realized for the preceding month from the sale of
26 candy, grooming and hygiene products, and soft drinks that had

1 been taxed at a rate of 1% prior to September 1, 2009 but that
2 are now taxed at 6.25%.

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

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

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

1 Build Illinois Fund; provided, however, that if in any fiscal
2 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
3 may be, of the moneys received by the Department and required
4 to be paid into the Build Illinois Fund pursuant to Section 3
5 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
6 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
7 Service Occupation Tax Act, such Acts being hereinafter called
8 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
9 may be, of moneys being hereinafter called the "Tax Act
10 Amount", and (2) the amount transferred to the Build Illinois
11 Fund from the State and Local Sales Tax Reform Fund shall be
12 less than the Annual Specified Amount (as defined in Section 3
13 of the Retailers' Occupation Tax Act), an amount equal to the
14 difference shall be immediately paid into the Build Illinois
15 Fund from other moneys received by the Department pursuant to
16 the Tax Acts; and further provided, that if on the last
17 business day of any month the sum of (1) the Tax Act Amount
18 required to be deposited into the Build Illinois Account in
19 the Build Illinois Fund during such month and (2) the amount
20 transferred during such month to the Build Illinois Fund from
21 the State and Local Sales Tax Reform Fund shall have been less
22 than 1/12 of the Annual Specified Amount, an amount equal to
23 the difference shall be immediately paid into the Build
24 Illinois Fund from other moneys received by the Department
25 pursuant to the Tax Acts; and, further provided, that in no
26 event shall the payments required under the preceding proviso

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

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

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

23	Fiscal Year	Total Deposit
24	1993	\$0
25	1994	53,000,000

1	1995	58,000,000
2	1996	61,000,000
3	1997	64,000,000
4	1998	68,000,000
5	1999	71,000,000
6	2000	75,000,000
7	2001	80,000,000
8	2002	93,000,000
9	2003	99,000,000
10	2004	103,000,000
11	2005	108,000,000
12	2006	113,000,000
13	2007	119,000,000
14	2008	126,000,000
15	2009	132,000,000
16	2010	139,000,000
17	2011	146,000,000
18	2012	153,000,000
19	2013	161,000,000
20	2014	170,000,000
21	2015	179,000,000
22	2016	189,000,000
23	2017	199,000,000
24	2018	210,000,000
25	2019	221,000,000
26	2020	233,000,000

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

17 and

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

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

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

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

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

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

6 Subject to payment of amounts into the Build Illinois Fund
7 and the McCormick Place Expansion Project Fund pursuant to the
8 preceding paragraphs or in any amendments thereto hereafter
9 enacted, beginning with the receipt of the first report of
10 taxes paid by an eligible business and continuing for a
11 25-year period, the Department shall each month pay into the
12 Energy Infrastructure Fund 80% of the net revenue realized
13 from the 6.25% general rate on the selling price of
14 Illinois-mined coal that was sold to an eligible business. For
15 purposes of this paragraph, the term "eligible business" means
16 a new electric generating facility certified pursuant to
17 Section 605-332 of the Department of Commerce and Economic
18 Opportunity Law of the Civil Administrative Code of Illinois.

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

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

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

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

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

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

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

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

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

1 each month into the Road Fund the amount estimated to
2 represent 80% of the net revenue realized from the taxes
3 imposed on motor fuel and gasohol. As used in this paragraph
4 "motor fuel" has the meaning given to that term in Section 1.1
5 of the Motor Fuel Tax Law, and "gasohol" has the meaning given
6 to that term in Section 3-40 of the Use Tax Act.

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

14 The Department may, upon separate written notice to a
15 taxpayer, require the taxpayer to prepare and file with the
16 Department on a form prescribed by the Department within not
17 less than 60 days after receipt of the notice an annual
18 information return for the tax year specified in the notice.
19 Such annual return to the Department shall include a statement
20 of gross receipts as shown by the taxpayer's last Federal
21 income tax return. If the total receipts of the business as
22 reported in the Federal income tax return do not agree with the
23 gross receipts reported to the Department of Revenue for the
24 same period, the taxpayer shall attach to his annual return a
25 schedule showing a reconciliation of the 2 amounts and the
26 reasons for the difference. The taxpayer's annual return to

1 the Department shall also disclose the cost of goods sold by
2 the taxpayer during the year covered by such return, opening
3 and closing inventories of such goods for such year, cost of
4 goods used from stock or taken from stock and given away by the
5 taxpayer during such year, pay roll information of the
6 taxpayer's business during such year and any additional
7 reasonable information which the Department deems would be
8 helpful in determining the accuracy of the monthly, quarterly
9 or annual returns filed by such taxpayer as hereinbefore
10 provided for in this Section.

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

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

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

24 The chief executive officer, proprietor, owner or highest
25 ranking manager shall sign the annual return to certify the
26 accuracy of the information contained therein. Any person who

1 willfully signs the annual return containing false or
2 inaccurate information shall be guilty of perjury and punished
3 accordingly. The annual return form prescribed by the
4 Department shall include a warning that the person signing the
5 return may be liable for perjury.

6 The foregoing portion of this Section concerning the
7 filing of an annual information return shall not apply to a
8 serviceman who is not required to file an income tax return
9 with the United States Government.

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

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

21 For greater simplicity of administration, it shall be
22 permissible for manufacturers, importers and wholesalers whose
23 products are sold by numerous servicemen in Illinois, and who
24 wish to do so, to assume the responsibility for accounting and
25 paying to the Department all tax accruing under this Act with
26 respect to such sales, if the servicemen who are affected do

1 not make written objection to the Department to this
2 arrangement.

3 (Source: P.A. 101-10, Article 15, Section 15-20, eff. 6-5-19;
4 101-10, Article 25, Section 25-115, eff. 6-5-19; 101-27, eff.
5 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;
6 101-636, eff. 6-10-20; 102-700, eff. 4-19-22.)

7 Section 20. The Retailers' Occupation Tax Act is amended
8 by changing Section 3 as follows:

9 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

15 1. The name of the seller;

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

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

1 month or quarter;

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

7 5. Deductions allowed by law;

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

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

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

1 the 0% rate imposed under Public Act 102-700 ~~this~~
2 ~~amendatory Act of the 102nd General Assembly;~~

3 9. The signature of the taxpayer; and

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

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

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

26 Each return shall be accompanied by the statement of

1 prepaid tax issued pursuant to Section 2e for which credit is
2 claimed.

3 Prior to October 1, 2003, and on and after September 1,
4 2004 a retailer may accept a Manufacturer's Purchase Credit
5 certification from a purchaser in satisfaction of Use Tax as
6 provided in Section 3-85 of the Use Tax Act if the purchaser
7 provides the appropriate documentation as required by Section
8 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
9 certification, accepted by a retailer prior to October 1, 2003
10 and on and after September 1, 2004 as provided in Section 3-85
11 of the Use Tax Act, may be used by that retailer to satisfy
12 Retailers' Occupation Tax liability in the amount claimed in
13 the certification, not to exceed 6.25% of the receipts subject
14 to tax from a qualifying purchase. A Manufacturer's Purchase
15 Credit reported on any original or amended return filed under
16 this Act after October 20, 2003 for reporting periods prior to
17 September 1, 2004 shall be disallowed. Manufacturer's Purchase
18 Credit reported on annual returns due on or after January 1,
19 2005 will be disallowed for periods prior to September 1,
20 2004. No Manufacturer's Purchase Credit may be used after
21 September 30, 2003 through August 31, 2004 to satisfy any tax
22 liability imposed under this Act, including any audit
23 liability.

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

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

5 1. The name of the seller;

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

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

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

16 5. The amount of tax due; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 such agency or State officer determine that this procedure
2 will expedite the processing of applications for title or
3 registration.

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

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

25 If the user who would otherwise pay tax to the retailer
26 wants the transaction reporting return filed and the payment

1 of the tax or proof of exemption made to the Department before
2 the retailer is willing to take these actions and such user has
3 not paid the tax to the retailer, such user may certify to the
4 fact of such delay by the retailer and may (upon the Department
5 being satisfied of the truth of such certification) transmit
6 the information required by the transaction reporting return
7 and the remittance for tax or proof of exemption directly to
8 the Department and obtain his tax receipt or exemption
9 determination, in which event the transaction reporting return
10 and tax remittance (if a tax payment was required) shall be
11 credited by the Department to the proper retailer's account
12 with the Department, but without the 2.1% or 1.75% discount
13 provided for in this Section being allowed. When the user pays
14 the tax directly to the Department, he shall pay the tax in the
15 same amount and in the same form in which it would be remitted
16 if the tax had been remitted to the Department by the retailer.

17 Refunds made by the seller during the preceding return
18 period to purchasers, on account of tangible personal property
19 returned to the seller, shall be allowed as a deduction under
20 subdivision 5 of his monthly or quarterly return, as the case
21 may be, in case the seller had theretofore included the
22 receipts from the sale of such tangible personal property in a
23 return filed by him and had paid the tax imposed by this Act
24 with respect to such receipts.

25 Where the seller is a corporation, the return filed on
26 behalf of such corporation shall be signed by the president,

1 vice-president, secretary or treasurer or by the properly
2 accredited agent of such corporation.

3 Where the seller is a limited liability company, the
4 return filed on behalf of the limited liability company shall
5 be signed by a manager, member, or properly accredited agent
6 of the limited liability company.

7 Except as provided in this Section, the retailer filing
8 the return under this Section shall, at the time of filing such
9 return, pay to the Department the amount of tax imposed by this
10 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
11 on and after January 1, 1990, or \$5 per calendar year,
12 whichever is greater, which is allowed to reimburse the
13 retailer for the expenses incurred in keeping records,
14 preparing and filing returns, remitting the tax and supplying
15 data to the Department on request. On and after January 1,
16 2021, a certified service provider, as defined in the Leveling
17 the Playing Field for Illinois Retail Act, filing the return
18 under this Section on behalf of a remote retailer shall, at the
19 time of such return, pay to the Department the amount of tax
20 imposed by this Act less a discount of 1.75%. A remote retailer
21 using a certified service provider to file a return on its
22 behalf, as provided in the Leveling the Playing Field for
23 Illinois Retail Act, is not eligible for the discount. When
24 determining the discount allowed under this Section, retailers
25 shall include the amount of tax that would have been due at the
26 1% rate but for the 0% rate imposed under Public Act 102-700

1 ~~this amendatory Act of the 102nd General Assembly.~~ When
2 determining the discount allowed under this Section, retailers
3 shall include the amount of tax that would have been due at the
4 6.25% rate but for the 1.25% rate imposed on sales tax holiday
5 items under Public Act 102-700 ~~this amendatory Act of the~~
6 ~~102nd General Assembly.~~ The discount under this Section is not
7 allowed for the 1.25% portion of taxes paid on aviation fuel
8 that is subject to the revenue use requirements of 49 U.S.C.
9 47107(b) and 49 U.S.C. 47133. Any prepayment made pursuant to
10 Section 2d of this Act shall be included in the amount on which
11 such 2.1% or 1.75% discount is computed. In the case of
12 retailers who report and pay the tax on a transaction by
13 transaction basis, as provided in this Section, such discount
14 shall be taken with each such tax remittance instead of when
15 such retailer files his periodic return. The discount allowed
16 under this Section is allowed only for returns that are filed
17 in the manner required by this Act. The Department may
18 disallow the discount for retailers whose certificate of
19 registration is revoked at the time the return is filed, but
20 only if the Department's decision to revoke the certificate of
21 registration has become final.

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

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

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

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

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

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

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

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

26 The provisions of this paragraph apply on and after

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

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

4 If any payment provided for in this Section exceeds the
5 taxpayer's liabilities under this Act, the Use Tax Act, the
6 Service Occupation Tax Act and the Service Use Tax Act, as
7 shown on an original monthly return, the Department shall, if
8 requested by the taxpayer, issue to the taxpayer a credit
9 memorandum no later than 30 days after the date of payment. The
10 credit evidenced by such credit memorandum may be assigned by
11 the taxpayer to a similar taxpayer under this Act, the Use Tax
12 Act, the Service Occupation Tax Act or the Service Use Tax Act,
13 in accordance with reasonable rules and regulations to be
14 prescribed by the Department. If no such request is made, the
15 taxpayer may credit such excess payment against tax liability
16 subsequently to be remitted to the Department under this Act,
17 the Use Tax Act, the Service Occupation Tax Act or the Service
18 Use Tax Act, in accordance with reasonable rules and
19 regulations prescribed by the Department. If the Department
20 subsequently determined that all or any part of the credit
21 taken was not actually due to the taxpayer, the taxpayer's
22 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or
23 1.75% of the difference between the credit taken and that
24 actually due, and that taxpayer shall be liable for penalties
25 and interest on such difference.

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

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

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

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

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

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

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

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

1 of the net revenue realized for that month from the 1.25% rate
2 on the selling price of sales tax holiday items into the Local
3 Government Tax Fund.

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

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

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

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

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

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

1 the Build Illinois Fund from the State and Local Sales Tax
2 Reform Fund shall be less than the Annual Specified Amount (as
3 hereinafter defined), an amount equal to the difference shall
4 be immediately paid into the Build Illinois Fund from other
5 moneys received by the Department pursuant to the Tax Acts;
6 the "Annual Specified Amount" means the amounts specified
7 below for fiscal years 1986 through 1993:

8	Fiscal Year	Annual Specified Amount
9	1986	\$54,800,000
10	1987	\$76,650,000
11	1988	\$80,480,000
12	1989	\$88,510,000
13	1990	\$115,330,000
14	1991	\$145,470,000
15	1992	\$182,730,000
16	1993	\$206,520,000;

17 and means the Certified Annual Debt Service Requirement (as
18 defined in Section 13 of the Build Illinois Bond Act) or the
19 Tax Act Amount, whichever is greater, for fiscal year 1994 and
20 each fiscal year thereafter; and further provided, that if on
21 the last business day of any month the sum of (1) the Tax Act
22 Amount required to be deposited into the Build Illinois Bond
23 Account in the Build Illinois Fund during such month and (2)
24 the amount transferred to the Build Illinois Fund from the
25 State and Local Sales Tax Reform Fund shall have been less than
26 1/12 of the Annual Specified Amount, an amount equal to the

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

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

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

26 Fiscal Year Total Deposit

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

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

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

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

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

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

9 Subject to payment of amounts into the Build Illinois Fund
10 and the McCormick Place Expansion Project Fund pursuant to the
11 preceding paragraphs or in any amendments thereto hereafter
12 enacted, beginning with the receipt of the first report of
13 taxes paid by an eligible business and continuing for a
14 25-year period, the Department shall each month pay into the
15 Energy Infrastructure Fund 80% of the net revenue realized
16 from the 6.25% general rate on the selling price of
17 Illinois-mined coal that was sold to an eligible business. For
18 purposes of this paragraph, the term "eligible business" means
19 a new electric generating facility certified pursuant to
20 Section 605-332 of the Department of Commerce and Economic
21 Opportunity Law of the Civil Administrative Code of Illinois.

22 Subject to payment of amounts into the Build Illinois
23 Fund, the McCormick Place Expansion Project Fund, the Illinois
24 Tax Increment Fund, and the Energy Infrastructure Fund
25 pursuant to the preceding paragraphs or in any amendments to
26 this Section hereafter enacted, beginning on the first day of

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

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

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

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

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

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

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

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

1 Fund, the Illinois Tax Increment Fund, the Energy
2 Infrastructure Fund, and the Tax Compliance and Administration
3 Fund as provided in this Section, the Department shall pay
4 each month into the Road Fund the amount estimated to
5 represent 80% of the net revenue realized from the taxes
6 imposed on motor fuel and gasohol. As used in this paragraph
7 "motor fuel" has the meaning given to that term in Section 1.1
8 of the Motor Fuel Tax Law, and "gasohol" has the meaning given
9 to that term in Section 3-40 of the Use Tax Act.

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

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

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

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

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

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

26 The chief executive officer, proprietor, owner or highest

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

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

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

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

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

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

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

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

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

15 (Source: P.A. 101-10, Article 15, Section 15-25, eff. 6-5-19;
16 101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff.
17 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;
18 101-636, eff. 6-10-20; 102-634, eff. 8-27-21; 102-700, Article
19 60, Section 60-30, eff. 4-19-22; 102-700, Article 65, Section
20 65-10, eff. 4-19-22; 102-813, eff. 5-13-22; 102-1019, eff.
21 1-1-23; revised 12-13-22.)

22 Section 25. The Cannabis Regulation and Tax Act is amended
23 by changing Sections 1-10 and 10-10 as follows:

24 (410 ILCS 705/1-10)

1 Sec. 1-10. Definitions. In this Act:

2 "Adult Use Cultivation Center License" means a license
3 issued by the Department of Agriculture that permits a person
4 to act as a cultivation center under this Act and any
5 administrative rule made in furtherance of this Act.

6 "Adult Use Dispensing Organization License" means a
7 license issued by the Department of Financial and Professional
8 Regulation that permits a person to act as a dispensing
9 organization under this Act and any administrative rule made
10 in furtherance of this Act.

11 "Advertise" means to engage in promotional activities
12 including, but not limited to: newspaper, radio, Internet and
13 electronic media, and television advertising; the distribution
14 of fliers and circulars; billboard advertising; and the
15 display of window and interior signs. "Advertise" does not
16 mean exterior signage displaying only the name of the licensed
17 cannabis business establishment.

18 "Application points" means the number of points a
19 Dispensary Applicant receives on an application for a
20 Conditional Adult Use Dispensing Organization License.

21 "BLS Region" means a region in Illinois used by the United
22 States Bureau of Labor Statistics to gather and categorize
23 certain employment and wage data. The 17 such regions in
24 Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,
25 Champaign-Urbana, Chicago-Naperville-Elgin, Danville,
26 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria,

1 Rockford, St. Louis, Springfield, Northwest Illinois
2 nonmetropolitan area, West Central Illinois nonmetropolitan
3 area, East Central Illinois nonmetropolitan area, and South
4 Illinois nonmetropolitan area.

5 "By lot" means a randomized method of choosing between 2
6 or more Eligible Tied Applicants or 2 or more Qualifying
7 Applicants.

8 "Cannabis" means marijuana, hashish, and other substances
9 that are identified as including any parts of the plant
10 Cannabis sativa and including derivatives or subspecies, such
11 as indica, of all strains of cannabis, whether growing or not;
12 the seeds thereof, the resin extracted from any part of the
13 plant; and any compound, manufacture, salt, derivative,
14 mixture, or preparation of the plant, its seeds, or resin,
15 including tetrahydrocannabinol (THC) and all other naturally
16 produced cannabinol derivatives, whether produced directly or
17 indirectly by extraction; however, "cannabis" does not include
18 the mature stalks of the plant, fiber produced from the
19 stalks, oil or cake made from the seeds of the plant, any other
20 compound, manufacture, salt, derivative, mixture, or
21 preparation of the mature stalks (except the resin extracted
22 from it), fiber, oil or cake, or the sterilized seed of the
23 plant that is incapable of germination. "Cannabis" does not
24 include ~~industrial~~ hemp as defined and authorized under the
25 ~~Industrial~~ Hemp Act. "Cannabis" also means cannabis flower,
26 concentrate, and cannabis-infused products.

1 "Cannabis business establishment" means a cultivation
2 center, craft grower, processing organization, infuser
3 organization, dispensing organization, or transporting
4 organization.

5 "Cannabis concentrate" means a product derived from
6 cannabis that is produced by extracting cannabinoids,
7 including tetrahydrocannabinol (THC), from the plant through
8 the use of propylene glycol, glycerin, butter, olive oil, or
9 other typical cooking fats; water, ice, or dry ice; or butane,
10 propane, CO₂, ethanol, or isopropanol and with the intended
11 use of smoking or making a cannabis-infused product. The use
12 of any other solvent is expressly prohibited unless and until
13 it is approved by the Department of Agriculture.

14 "Cannabis container" means a sealed or resealable,
15 traceable, container, or package used for the purpose of
16 containment of cannabis or cannabis-infused product during
17 transportation.

18 "Cannabis flower" means marijuana, hashish, and other
19 substances that are identified as including any parts of the
20 plant Cannabis sativa and including derivatives or subspecies,
21 such as indica, of all strains of cannabis; including raw
22 kief, leaves, and buds, but not resin that has been extracted
23 from any part of such plant; nor any compound, manufacture,
24 salt, derivative, mixture, or preparation of such plant, its
25 seeds, or resin.

26 "Cannabis-infused product" means a beverage, food, oil,

1 ointment, tincture, topical formulation, or another product
2 containing cannabis or cannabis concentrate that is not
3 intended to be smoked.

4 "Cannabis paraphernalia" means equipment, products, or
5 materials intended to be used for planting, propagating,
6 cultivating, growing, harvesting, manufacturing, producing,
7 processing, preparing, testing, analyzing, packaging,
8 repackaging, storing, containing, concealing, ingesting, or
9 otherwise introducing cannabis into the human body.

10 "Cannabis plant monitoring system" or "plant monitoring
11 system" means a system that includes, but is not limited to,
12 testing and data collection established and maintained by the
13 cultivation center, craft grower, or processing organization
14 and that is available to the Department of Revenue, the
15 Department of Agriculture, the Department of Financial and
16 Professional Regulation, and the Illinois State Police for the
17 purposes of documenting each cannabis plant and monitoring
18 plant development throughout the life cycle of a cannabis
19 plant cultivated for the intended use by a customer from seed
20 planting to final packaging.

21 "Cannabis testing facility" means an entity registered by
22 the Department of Agriculture to test cannabis for potency and
23 contaminants.

24 "Clone" means a plant section from a female cannabis plant
25 not yet rootbound, growing in a water solution or other
26 propagation matrix, that is capable of developing into a new

1 plant.

2 "Community College Cannabis Vocational Training Pilot
3 Program faculty participant" means a person who is 21 years of
4 age or older, licensed by the Department of Agriculture, and
5 is employed or contracted by an Illinois community college to
6 provide student instruction using cannabis plants at an
7 Illinois Community College.

8 "Community College Cannabis Vocational Training Pilot
9 Program faculty participant Agent Identification Card" means a
10 document issued by the Department of Agriculture that
11 identifies a person as a Community College Cannabis Vocational
12 Training Pilot Program faculty participant.

13 "Conditional Adult Use Dispensing Organization License"
14 means a contingent license awarded to applicants for an Adult
15 Use Dispensing Organization License that reserves the right to
16 an Adult Use Dispensing Organization License if the applicant
17 meets certain conditions described in this Act, but does not
18 entitle the recipient to begin purchasing or selling cannabis
19 or cannabis-infused products.

20 "Conditional Adult Use Cultivation Center License" means a
21 license awarded to top-scoring applicants for an Adult Use
22 Cultivation Center License that reserves the right to an Adult
23 Use Cultivation Center License if the applicant meets certain
24 conditions as determined by the Department of Agriculture by
25 rule, but does not entitle the recipient to begin growing,
26 processing, or selling cannabis or cannabis-infused products.

1 "Craft grower" means a facility operated by an
2 organization or business that is licensed by the Department of
3 Agriculture to cultivate, dry, cure, and package cannabis and
4 perform other necessary activities to make cannabis available
5 for sale at a dispensing organization or use at a processing
6 organization. A craft grower may contain up to 5,000 square
7 feet of canopy space on its premises for plants in the
8 flowering state. The Department of Agriculture may authorize
9 an increase or decrease of flowering stage cultivation space
10 in increments of 3,000 square feet by rule based on market
11 need, craft grower capacity, and the licensee's history of
12 compliance or noncompliance, with a maximum space of 14,000
13 square feet for cultivating plants in the flowering stage,
14 which must be cultivated in all stages of growth in an enclosed
15 and secure area. A craft grower may share premises with a
16 processing organization or a dispensing organization, or both,
17 provided each licensee stores currency and cannabis or
18 cannabis-infused products in a separate secured vault to which
19 the other licensee does not have access or all licensees
20 sharing a vault share more than 50% of the same ownership.

21 "Craft grower agent" means a principal officer, board
22 member, employee, or other agent of a craft grower who is 21
23 years of age or older.

24 "Craft Grower Agent Identification Card" means a document
25 issued by the Department of Agriculture that identifies a
26 person as a craft grower agent.

1 "Cultivation center" means a facility operated by an
2 organization or business that is licensed by the Department of
3 Agriculture to cultivate, process, transport (unless otherwise
4 limited by this Act), and perform other necessary activities
5 to provide cannabis and cannabis-infused products to cannabis
6 business establishments.

7 "Cultivation center agent" means a principal officer,
8 board member, employee, or other agent of a cultivation center
9 who is 21 years of age or older.

10 "Cultivation Center Agent Identification Card" means a
11 document issued by the Department of Agriculture that
12 identifies a person as a cultivation center agent.

13 "Currency" means currency and coin of the United States.

14 "Dispensary" means a facility operated by a dispensing
15 organization at which activities licensed by this Act may
16 occur.

17 "Dispensary Applicant" means the Proposed Dispensing
18 Organization Name as stated on an application for a
19 Conditional Adult Use Dispensing Organization License.

20 "Dispensing organization" means a facility operated by an
21 organization or business that is licensed by the Department of
22 Financial and Professional Regulation to acquire cannabis from
23 a cultivation center, craft grower, processing organization,
24 or another dispensary for the purpose of selling or dispensing
25 cannabis, cannabis-infused products, cannabis seeds,
26 paraphernalia, or related supplies under this Act to

1 purchasers or to qualified registered medical cannabis
2 patients and caregivers. As used in this Act, "dispensing
3 organization" includes a registered medical cannabis
4 organization as defined in the Compassionate Use of Medical
5 Cannabis Program Act or its successor Act that has obtained an
6 Early Approval Adult Use Dispensing Organization License.

7 "Dispensing organization agent" means a principal officer,
8 employee, or agent of a dispensing organization who is 21
9 years of age or older.

10 "Dispensing organization agent identification card" means
11 a document issued by the Department of Financial and
12 Professional Regulation that identifies a person as a
13 dispensing organization agent.

14 "Disproportionately Impacted Area" means a census tract or
15 comparable geographic area that satisfies the following
16 criteria as determined by the Department of Commerce and
17 Economic Opportunity, that:

18 (1) meets at least one of the following criteria:

19 (A) the area has a poverty rate of at least 20%
20 according to the latest federal decennial census; or

21 (B) 75% or more of the children in the area
22 participate in the federal free lunch program
23 according to reported statistics from the State Board
24 of Education; or

25 (C) at least 20% of the households in the area
26 receive assistance under the Supplemental Nutrition

1 Assistance Program; or

2 (D) the area has an average unemployment rate, as
3 determined by the Illinois Department of Employment
4 Security, that is more than 120% of the national
5 unemployment average, as determined by the United
6 States Department of Labor, for a period of at least 2
7 consecutive calendar years preceding the date of the
8 application; and

9 (2) has high rates of arrest, conviction, and
10 incarceration related to the sale, possession, use,
11 cultivation, manufacture, or transport of cannabis.

12 "Early Approval Adult Use Cultivation Center License"
13 means a license that permits a medical cannabis cultivation
14 center licensed under the Compassionate Use of Medical
15 Cannabis Program Act as of the effective date of this Act to
16 begin cultivating, infusing, packaging, transporting (unless
17 otherwise provided in this Act), processing, and selling
18 cannabis or cannabis-infused product to cannabis business
19 establishments for resale to purchasers as permitted by this
20 Act as of January 1, 2020.

21 "Early Approval Adult Use Dispensing Organization License"
22 means a license that permits a medical cannabis dispensing
23 organization licensed under the Compassionate Use of Medical
24 Cannabis Program Act as of the effective date of this Act to
25 begin selling cannabis or cannabis-infused product to
26 purchasers as permitted by this Act as of January 1, 2020.

1 "Early Approval Adult Use Dispensing Organization at a
2 secondary site" means a license that permits a medical
3 cannabis dispensing organization licensed under the
4 Compassionate Use of Medical Cannabis Program Act as of the
5 effective date of this Act to begin selling cannabis or
6 cannabis-infused product to purchasers as permitted by this
7 Act on January 1, 2020 at a different dispensary location from
8 its existing registered medical dispensary location.

9 "Eligible Tied Applicant" means a Tied Applicant that is
10 eligible to participate in the process by which a remaining
11 available license is distributed by lot pursuant to a Tied
12 Applicant Lottery.

13 "Enclosed, locked facility" means a room, greenhouse,
14 building, or other enclosed area equipped with locks or other
15 security devices that permit access only by cannabis business
16 establishment agents working for the licensed cannabis
17 business establishment or acting pursuant to this Act to
18 cultivate, process, store, or distribute cannabis.

19 "Enclosed, locked space" means a closet, room, greenhouse,
20 building, or other enclosed area equipped with locks or other
21 security devices that permit access only by authorized
22 individuals under this Act. "Enclosed, locked space" may
23 include:

- 24 (1) a space within a residential building that (i) is
25 the primary residence of the individual cultivating 5 or
26 fewer cannabis plants that are more than 5 inches tall and

1 (ii) includes sleeping quarters and indoor plumbing. The
2 space must only be accessible by a key or code that is
3 different from any key or code that can be used to access
4 the residential building from the exterior; or

5 (2) a structure, such as a shed or greenhouse, that
6 lies on the same plot of land as a residential building
7 that (i) includes sleeping quarters and indoor plumbing
8 and (ii) is used as a primary residence by the person
9 cultivating 5 or fewer cannabis plants that are more than
10 5 inches tall, such as a shed or greenhouse. The structure
11 must remain locked when it is unoccupied by people.

12 "Financial institution" has the same meaning as "financial
13 organization" as defined in Section 1501 of the Illinois
14 Income Tax Act, and also includes the holding companies,
15 subsidiaries, and affiliates of such financial organizations.

16 "Flowering stage" means the stage of cultivation where and
17 when a cannabis plant is cultivated to produce plant material
18 for cannabis products. This includes mature plants as follows:

19 (1) if greater than 2 stigmas are visible at each
20 internode of the plant; or

21 (2) if the cannabis plant is in an area that has been
22 intentionally deprived of light for a period of time
23 intended to produce flower buds and induce maturation,
24 from the moment the light deprivation began through the
25 remainder of the marijuana plant growth cycle.

26 "Individual" means a natural person.

1 "Infuser organization" or "infuser" means a facility
2 operated by an organization or business that is licensed by
3 the Department of Agriculture to directly incorporate cannabis
4 or cannabis concentrate into a product formulation to produce
5 a cannabis-infused product.

6 "Kief" means the resinous crystal-like trichomes that are
7 found on cannabis and that are accumulated, resulting in a
8 higher concentration of cannabinoids, untreated by heat or
9 pressure, or extracted using a solvent.

10 "Labor peace agreement" means an agreement between a
11 cannabis business establishment and any labor organization
12 recognized under the National Labor Relations Act, referred to
13 in this Act as a bona fide labor organization, that prohibits
14 labor organizations and members from engaging in picketing,
15 work stoppages, boycotts, and any other economic interference
16 with the cannabis business establishment. This agreement means
17 that the cannabis business establishment has agreed not to
18 disrupt efforts by the bona fide labor organization to
19 communicate with, and attempt to organize and represent, the
20 cannabis business establishment's employees. The agreement
21 shall provide a bona fide labor organization access at
22 reasonable times to areas in which the cannabis business
23 establishment's employees work, for the purpose of meeting
24 with employees to discuss their right to representation,
25 employment rights under State law, and terms and conditions of
26 employment. This type of agreement shall not mandate a

1 particular method of election or certification of the bona
2 fide labor organization.

3 "Limited access area" means a room or other area under the
4 control of a cannabis dispensing organization licensed under
5 this Act and upon the licensed premises where cannabis sales
6 occur with access limited to purchasers, dispensing
7 organization owners and other dispensing organization agents,
8 or service professionals conducting business with the
9 dispensing organization, or, if sales to registered qualifying
10 patients, caregivers, provisional patients, and Opioid
11 Alternative Pilot Program participants licensed pursuant to
12 the Compassionate Use of Medical Cannabis Program Act are also
13 permitted at the dispensary, registered qualifying patients,
14 caregivers, provisional patients, and Opioid Alternative Pilot
15 Program participants.

16 "Member of an impacted family" means an individual who has
17 a parent, legal guardian, child, spouse, or dependent, or was
18 a dependent of an individual who, prior to the effective date
19 of this Act, was arrested for, convicted of, or adjudicated
20 delinquent for any offense that is eligible for expungement
21 under this Act.

22 "Mother plant" means a cannabis plant that is cultivated
23 or maintained for the purpose of generating clones, and that
24 will not be used to produce plant material for sale to an
25 infuser or dispensing organization.

26 "Ordinary public view" means within the sight line with

1 normal visual range of a person, unassisted by visual aids,
2 from a public street or sidewalk adjacent to real property, or
3 from within an adjacent property.

4 "Ownership and control" means ownership of at least 51% of
5 the business, including corporate stock if a corporation, and
6 control over the management and day-to-day operations of the
7 business and an interest in the capital, assets, and profits
8 and losses of the business proportionate to percentage of
9 ownership.

10 "Person" means a natural individual, firm, partnership,
11 association, joint stock company, joint venture, public or
12 private corporation, limited liability company, or a receiver,
13 executor, trustee, guardian, or other representative appointed
14 by order of any court.

15 "Possession limit" means the amount of cannabis under
16 Section 10-10 that may be possessed at any one time by a person
17 21 years of age or older or who is a registered qualifying
18 medical cannabis patient or caregiver under the Compassionate
19 Use of Medical Cannabis Program Act.

20 "Principal officer" includes a cannabis business
21 establishment applicant or licensed cannabis business
22 establishment's board member, owner with more than 1% interest
23 of the total cannabis business establishment or more than 5%
24 interest of the total cannabis business establishment of a
25 publicly traded company, president, vice president, secretary,
26 treasurer, partner, officer, member, manager member, or person

1 with a profit sharing, financial interest, or revenue sharing
2 arrangement. The definition includes a person with authority
3 to control the cannabis business establishment, a person who
4 assumes responsibility for the debts of the cannabis business
5 establishment and who is further defined in this Act.

6 "Primary residence" means a dwelling where a person
7 usually stays or stays more often than other locations. It may
8 be determined by, without limitation, presence, tax filings;
9 address on an Illinois driver's license, an Illinois
10 Identification Card, or an Illinois Person with a Disability
11 Identification Card; or voter registration. No person may have
12 more than one primary residence.

13 "Processing organization" or "processor" means a facility
14 operated by an organization or business that is licensed by
15 the Department of Agriculture to either extract constituent
16 chemicals or compounds to produce cannabis concentrate or
17 incorporate cannabis or cannabis concentrate into a product
18 formulation to produce a cannabis product.

19 "Processing organization agent" means a principal officer,
20 board member, employee, or agent of a processing organization.

21 "Processing organization agent identification card" means
22 a document issued by the Department of Agriculture that
23 identifies a person as a processing organization agent.

24 "Purchaser" means a person 21 years of age or older who
25 acquires cannabis for a valuable consideration. "Purchaser"
26 does not include a cardholder under the Compassionate Use of

1 Medical Cannabis Program Act.

2 "Qualifying Applicant" means an applicant that submitted
3 an application pursuant to Section 15-30 that received at
4 least 85% of 250 application points available under Section
5 15-30 as the applicant's final score and meets the definition
6 of "Social Equity Applicant" as set forth under this Section.

7 "Qualifying Social Equity Justice Involved Applicant"
8 means an applicant that submitted an application pursuant to
9 Section 15-30 that received at least 85% of 250 application
10 points available under Section 15-30 as the applicant's final
11 score and meets the criteria of either paragraph (1) or (2) of
12 the definition of "Social Equity Applicant" as set forth under
13 this Section.

14 "Qualified Social Equity Applicant" means a Social Equity
15 Applicant who has been awarded a conditional license under
16 this Act to operate a cannabis business establishment.

17 "Resided" means an individual's primary residence was
18 located within the relevant geographic area as established by
19 2 of the following:

20 (1) a signed lease agreement that includes the
21 applicant's name;

22 (2) a property deed that includes the applicant's
23 name;

24 (3) school records;

25 (4) a voter registration card;

26 (5) an Illinois driver's license, an Illinois

1 Identification Card, or an Illinois Person with a
2 Disability Identification Card;

3 (6) a paycheck stub;

4 (7) a utility bill;

5 (8) tax records; or

6 (9) any other proof of residency or other information
7 necessary to establish residence as provided by rule.

8 "Smoking" means the inhalation of smoke caused by the
9 combustion of cannabis.

10 "Social Equity Applicant" means an applicant that is an
11 Illinois resident that meets one of the following criteria:

12 (1) an applicant with at least 51% ownership and
13 control by one or more individuals who have resided for at
14 least 5 of the preceding 10 years in a Disproportionately
15 Impacted Area;

16 (2) an applicant with at least 51% ownership and
17 control by one or more individuals who:

18 (i) have been arrested for, convicted of, or
19 adjudicated delinquent for any offense that is
20 eligible for expungement under this Act; or

21 (ii) is a member of an impacted family;

22 (3) for applicants with a minimum of 10 full-time
23 employees, an applicant with at least 51% of current
24 employees who:

25 (i) currently reside in a Disproportionately
26 Impacted Area; or

1 (ii) have been arrested for, convicted of, or
2 adjudicated delinquent for any offense that is
3 eligible for expungement under this Act or member of
4 an impacted family.

5 Nothing in this Act shall be construed to preempt or limit
6 the duties of any employer under the Job Opportunities for
7 Qualified Applicants Act. Nothing in this Act shall permit an
8 employer to require an employee to disclose sealed or expunged
9 offenses, unless otherwise required by law.

10 "Tied Applicant" means an application submitted by a
11 Dispensary Applicant pursuant to Section 15-30 that received
12 the same number of application points under Section 15-30 as
13 the Dispensary Applicant's final score as one or more
14 top-scoring applications in the same BLS Region and would have
15 been awarded a license but for the one or more other
16 top-scoring applications that received the same number of
17 application points. Each application for which a Dispensary
18 Applicant was required to pay a required application fee for
19 the application period ending January 2, 2020 shall be
20 considered an application of a separate Tied Applicant.

21 "Tied Applicant Lottery" means the process established
22 under 68 Ill. Adm. Code 1291.50 for awarding Conditional Adult
23 Use Dispensing Organization Licenses pursuant to Sections
24 15-25 and 15-30 among Eligible Tied Applicants.

25 "Tincture" means a cannabis-infused solution, typically
26 comprised of alcohol, glycerin, or vegetable oils, derived

1 either directly from the cannabis plant or from a processed
2 cannabis extract. A tincture is not an alcoholic liquor as
3 defined in the Liquor Control Act of 1934. A tincture shall
4 include a calibrated dropper or other similar device capable
5 of accurately measuring servings.

6 "Transporting organization" or "transporter" means an
7 organization or business that is licensed by the Department of
8 Agriculture to transport cannabis or cannabis-infused product
9 on behalf of a cannabis business establishment or a community
10 college licensed under the Community College Cannabis
11 Vocational Training Pilot Program.

12 "Transporting organization agent" means a principal
13 officer, board member, employee, or agent of a transporting
14 organization.

15 "Transporting organization agent identification card"
16 means a document issued by the Department of Agriculture that
17 identifies a person as a transporting organization agent.

18 "Unit of local government" means any county, city,
19 village, or incorporated town.

20 "Vegetative stage" means the stage of cultivation in which
21 a cannabis plant is propagated to produce additional cannabis
22 plants or reach a sufficient size for production. This
23 includes seedlings, clones, mothers, and other immature
24 cannabis plants as follows:

25 (1) if the cannabis plant is in an area that has not
26 been intentionally deprived of light for a period of time

1 intended to produce flower buds and induce maturation, it
2 has no more than 2 stigmas visible at each internode of the
3 cannabis plant; or

4 (2) any cannabis plant that is cultivated solely for
5 the purpose of propagating clones and is never used to
6 produce cannabis.

7 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
8 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
9 5-13-22.)

10 (410 ILCS 705/10-10)

11 Sec. 10-10. Possession limit.

12 (a) Except if otherwise authorized by this Act, for a
13 person who is 21 years of age or older and a resident of this
14 State, the possession limit is as follows:

15 (1) 30 grams of cannabis flower;

16 (2) no more than 500 milligrams of THC contained in
17 cannabis-infused product;

18 (3) 5 grams of cannabis concentrate; and

19 (4) for registered qualifying patients, any cannabis
20 produced by cannabis plants grown under subsection (b) of
21 Section 10-5, provided any amount of cannabis produced in
22 excess of 30 grams of raw cannabis or its equivalent must
23 remain secured within the residence or residential
24 property in which it was grown.

25 (b) For a person who is 21 years of age or older and who is

1 not a resident of this State, the possession limit is:

2 (1) 15 grams of cannabis flower;

3 (2) 2.5 grams of cannabis concentrate; and

4 (3) 250 milligrams of THC contained in a
5 cannabis-infused product.

6 (c) The possession limits found in subsections (a) and (b)
7 of this Section are to be considered cumulative.

8 (d) No person shall knowingly obtain, seek to obtain, or
9 possess an amount of cannabis from a dispensing organization
10 or craft grower that would cause him or her to exceed the
11 possession limit under this Section, including cannabis that
12 is cultivated by a person under this Act or obtained under the
13 Compassionate Use of Medical Cannabis Program Act.

14 (e) Cannabis and cannabis-derived substances regulated
15 under the ~~Industrial~~ Hemp Act are not covered by this Act.

16 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

17 Section 30. The Industrial Hemp Act is amended by changing
18 Sections 1, 5, 15, 17, 18, and 20 and by adding Sections 3, 6,
19 7, 10.5, 10.10, 10.15, 10.20, 10.25, 10.30, 10.35, 10.40,
20 10.45, 10.50, 10.55, 10.60, 10.65, 10.70, 10.75, 10.80, 10.85,
21 10.90, 10.95, 10.100, 11, 11.5, 11.10, 11.15, 11.20, 12, 13,
22 15.5, 16, 17.5, 18.5, 28, 30, and 800 as follows:

23 (505 ILCS 89/1)

24 Sec. 1. Short title. This Act may be cited as the

1 ~~Industrial~~ Hemp Act.

2 (Source: P.A. 100-1091, eff. 8-26-18.)

3 (505 ILCS 89/3 new)

4 Sec. 3. Findings. The General Assembly finds that:

5 (1) In the interest of allowing law enforcement to focus
6 on violent and property crimes, generating revenue for
7 education, substance abuse prevention and treatment, freeing
8 public resources to invest in communities and other public
9 purposes, and individual freedom, the use of hemp-derived
10 cannabinoids should be legal for persons 21 years of age or
11 older and should be taxed in a manner similar to beer, wine,
12 spirits, and cannabis.

13 (2) In the interest of the health and public safety of the
14 residents of Illinois, hemp-derived cannabinoids should be
15 regulated in a manner similar to beer, wine, spirits, and
16 cannabis so that:

17 (A) persons will have to show proof of age before
18 purchasing hemp-derived cannabinoids;

19 (B) selling, distributing, or transferring
20 hemp-derived cannabinoids to minors and other persons
21 under 21 years of age shall be illegal;

22 (C) driving under the influence of hemp-derived
23 cannabinoids, operating a watercraft under the influence
24 of hemp-derived cannabinoids and operating a snowmobile
25 under the influence of hemp-derived cannabinoids shall be

1 illegal;

2 (D) legitimate, taxpaying business people, and not
3 criminal actors, will conduct the sales of hemp-derived
4 cannabinoids;

5 (E) hemp-derived cannabinoids sold in the State will
6 be tested, labeled, and subject to additional regulation
7 to ensure that purchasers are informed and protected; and

8 (F) purchasers shall be informed of any known health
9 risks associated with the use of hemp-derived
10 cannabinoids, as concluded by evidence-based, peer
11 reviewed research.

12 (3) It is necessary to ensure consistency and fairness in
13 the application of this Act throughout the State and,
14 therefore, the matters by this Act are, except as specified in
15 this Act, matters of statewide concern.

16 (4) This Act shall not diminish the State's duties and
17 commitment to purchasers and businesses that operate under the
18 Cannabis Regulation and Tax Act or alter the protections
19 granted to them.

20 (5) This Act shall not diminish the State's duties and
21 commitment to seriously ill patients registered under the
22 Compassionate Use of Medical Cannabis Program Act, nor alter
23 the protections granted to them.

24 (6) Supporting and encouraging labor neutrality in the
25 hemp-derived cannabinoid industry and employee workplace
26 safety is desirable, and employer workplace policies shall be

1 interpreted broadly to protect employee safety.

2 (505 ILCS 89/5)

3 Sec. 5. Definitions. In this Act:

4 "Batch" means a specific quantity of a specific
5 cannabinoid product that is manufactured at the same time and
6 using the same methods, equipment, and ingredients, that is
7 uniform and intended to meet specifications for identity,
8 strength, purity, and composition, and that is manufactured,
9 packaged, and labeled according to a single batch production
10 record executed and documented during the same cycle of
11 manufacture and produced by a continuous process.

12 "Batch cycle" means a specific quantity of a specific
13 cannabinoid product that is manufactured using the same
14 methods, equipment, and ingredients, that is uniform and
15 intended to meet specifications for identity, strength,
16 purity, and composition, and that is manufactured, packaged,
17 and labeled according to a batch cycle production record
18 executed and documented during the same cycle of manufacture.

19 "Cannabinoid menu item" means a restaurant-type food that
20 incorporates ready-to-eat cannabinoids included on a menu or
21 menu board or offered as a self-service food or food on
22 display.

23 "Cannabinoid retail tax" means a tax of 5% that is
24 assessed on the final retail sale of all products that contain
25 cannabinoids.

1 "Cottage hemp cannabinoid product" means a type of hemp
2 cannabinoid product available for human consumption, including
3 time/temperature control for safety food as that term is
4 defined in Section 1-201.10 of the 2017 Food Code of the United
5 States Public Health Service of the Food and Drug
6 Administration, that utilize intermediate hemp products as an
7 input and is produced by a cottage hemp food operator and
8 contains THC levels below 0.3% by weight.

9 "Cottage hemp food operator" means an individual who
10 produces food or drink, other than foods and drinks listed as
11 prohibited by Section 4 of the Food Handling Regulation
12 Enforcement Act, that incorporate intermediate hemp products
13 in a kitchen located in that person's primary domestic
14 residence or another appropriately designed and equipped
15 kitchen on a farm for direct sale by the individual, a family
16 member, or employee.

17 "Department" means the Department of Agriculture.

18 "Director" means the Director of Agriculture.

19 "Disproportionately impacted area" means a census tract or
20 comparable geographic area that satisfies the following
21 criteria, as determined by the Department of Commerce and
22 Economic Opportunity, that meets at least one of the following
23 criteria:

24 (1) 20% or more of the households in the area have
25 incomes at or below 185% of the poverty guidelines updated
26 periodically in the Federal Register by the U.S.

1 Department of Health and Human Services under the
2 authority of 42 U.S.C. 9902(2);

3 (2) 75% or more of the children in the area
4 participate in the National School Lunch Program according
5 to reported statistics from the State Board of Education;

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

9 (4) the area has an average unemployment rate, as
10 determined by the Illinois Department of Employment
11 Security, that is more than 120% of the national
12 employment average, as determined by the United States
13 Department of Labor, for a period of at least 2
14 consecutive calendar years preceding the date of the
15 application and has high rates of arrest, conviction, and
16 incarceration related to the sale, possession, use,
17 cultivation, manufacture, or transport of cannabis as
18 defined under the Cannabis Regulation and Tax Act.

19 "Full-panel test" means a test that includes potency
20 testing and tests for contaminants, such as pesticides, heavy
21 metals, mold, and residual solvents.

22 "Hemp" or ~~"industrial hemp"~~ means the plant Cannabis
23 sativa L. and any part of that plant, including the seeds
24 thereof and all derivatives, extracts, cannabinoids, isomers,
25 acids, salts, and salts of isomers, whether growing or not,
26 with a total THC ~~delta 9 tetrahydrocannabinol~~ concentration of

1 not more than 0.3 percent on a dry-weight basis. "Hemp"
2 includes industrial hemp, hemp cannabinoid products, and
3 ready-to-eat hemp products ~~dry weight basis and includes any~~
4 ~~intermediate or finished product made or derived from~~
5 ~~industrial hemp.~~

6 "Hemp business establishment" means a hemp farm, hemp
7 processor, hemp distributor, hemp retailer, hemp food
8 establishment, or cottage hemp food operator.

9 "Hemp cannabinoid" means the chemical constituents of hemp
10 plants that are naturally occurring and biologically active.

11 "Hemp cannabinoid product" means a finished product for
12 sale to hemp cannabinoid users or medical patients at hemp
13 business establishments within the State of Illinois that
14 contains cannabinoids derived from hemp, is intended for human
15 consumption by inhalation and ingestion, does not exceed 50
16 milligrams of THC per serving, and meets the packaging,
17 labeling, and testing requirements of this Act.

18 "Hemp cannabinoid user" means a member of the general
19 public who buys or uses hemp and who is protected by laws
20 against unfair or fraudulent practices in the marketplace.

21 "Hemp distributor" means a facility operated by an
22 organization or business that is licensed by the Department of
23 Financial and Professional Regulation to import hemp
24 cannabinoid products from out-of-state and distribute or sell
25 live hemp products and hemp cannabinoid products to other hemp
26 business establishments.

1 "Hemp farm" means an Illinois farm or facility operated by
2 an organization or business that is licensed by the Department
3 of Agriculture to grow hemp.

4 "Hemp food establishment" means a facility regulated by
5 the Illinois Department of Public Health that incorporates
6 intermediate hemp products in the manufacturing, processing,
7 or preparation of prepackaged or ready-to-eat hemp cannabinoid
8 products intended for human ingestion and which meets the
9 requirements of this Act.

10 "Hemp processor" means a facility operated by an
11 organization or business that is licensed by the Department of
12 Agriculture to convert raw hemp material into processed hemp
13 products or intermediate hemp products, including the
14 extraction, synthesis, or concentration of constituent
15 chemicals and compounds from raw hemp or intermediate hemp
16 products.

17 "Hemp production plan" means a plan submitted by the
18 Department to the Secretary of the United States Department of
19 Agriculture pursuant to the federal Agriculture Improvement
20 Act of 2018, Public Law 115-334, and consistent with the
21 Domestic Hemp Production Program pursuant to 7 CFR Part 990
22 wherein the Department establishes its desire to have primary
23 regulatory authority over the production of hemp.

24 "Hemp retailer" means a retailer operated by an
25 organization or business that is licensed by the Department of
26 Financial and Professional Regulation to sell live hemp

1 products or hemp cannabinoid products to hemp cannabinoid
2 users or medical patients.

3 "Hemp social equity participant" means an individual who
4 is an Illinois resident or a business entity located within
5 Illinois that meets one or a combination of any the following
6 criteria:

7 (1) is an applicant with at least 51% ownership and
8 control by one or more individuals who have resided for at
9 least 5 of the preceding 10 years in a disproportionately
10 impacted area; or

11 (2) is an applicant with at least 51% ownership and
12 control by at least one individual who:

13 (A) has been arrested for, convicted of, or
14 adjudicated delinquent for any offense that is
15 eligible for expungement under the Cannabis Regulation
16 and Tax Act; or

17 (B) is a member of an impacted family.

18 "Human consumption" means consumption by inhalation or
19 ingestion but does not include topical application.

20 "Illinois hemp" means hemp grown, processed, or produced
21 by hemp business establishments licensed and located in the
22 State of Illinois, including live hemp products, raw hemp
23 products, intermediate hemp products, and hemp cannabinoid
24 products. "Illinois hemp" includes hemp cannabinoid and
25 intermediate hemp products that are only produced in the State
26 of Illinois and do not incorporate any form of imported hemp.

1 "Imported hemp" means hemp that incorporates raw hemp or
2 intermediate hemp products not produced in Illinois.

3 "Industrial hemp" includes intermediate or finished
4 product made or derived from hemp.

5 "Ingestion" means the process of consuming cannabinoid
6 products through the mouth, whether by swallowing into the
7 gastrointestinal system or through tissue absorption.

8 "Inhalation" means the process of consuming cannabinoid
9 products through the mouth or nasal passages into the
10 respiratory system.

11 "Intermediate hemp products" means products that are made
12 from processed hemp that may only be sold to hemp business
13 establishments to be used as ingredients for other
14 intermediate hemp products or final hemp cannabinoid products
15 for human consumption by ingestion or inhalation.

16 "Intermediate hemp products" may include products that contain
17 more than 0.3% THC.

18 "Labor peace agreement" means an agreement (i) between a
19 hemp business establishment and any labor organization
20 recognized under the National Labor Relations Act, referred to
21 in this Act as a bona fide labor organization, that prohibits
22 labor organizations and members from engaging in picketing,
23 work stoppages, boycotts, and any other economic interference
24 with the cannabis business establishment, (ii) in which the
25 hemp business establishment has agreed not to disrupt efforts
26 by the bona fide labor organization to communicate with, and

1 attempt to organize and represent, the hemp business
2 establishment's employees, (iii) that provides a bona fide
3 labor organization access at reasonable times to areas in
4 which the cannabis business establishment's employees work for
5 the purpose of meeting with employees to discuss their right
6 to representation, employment rights under State law, and
7 terms and conditions of employment, and (iv) does not mandate
8 a particular method of election or certification of the bona
9 fide labor organization.

10 "Land area" means a farm as defined in Section 1-60 of the
11 Property Tax Code in this State or land or facilities under the
12 control of an institution of higher education.

13 "Live hemp products" means living plants, plant cuttings,
14 viable seeds, or tissue culture that can be used to propagate
15 new hemp plants, that test under 0.3% THC by weight using high
16 performance liquid chromatography or comparable technologies
17 capable of identifying THC separately from other cannabinoids,
18 and that may only be sold or transferred to other hemp farms or
19 medical patients.

20 "Medical patient" means an individual who has been issued
21 a medical card under the Compassionate Use of Medical Cannabis
22 Program Act.

23 "Member of an impacted family" means an individual who has
24 a parent, legal guardian, child, spouse, or dependent, or was
25 a dependent of an individual who, prior to the effective date
26 of this amendatory Act of the 103rd General Assembly, was

1 arrested for, convicted of, or adjudicated delinquent for any
2 offense that is eligible for expungement under subsection (i)
3 of Section 5.2 of the Criminal Identification Act.

4 "Menu" means the primary writing of the establishment from
5 which a customer makes an order selection, including, but not
6 limited to, breakfast, lunch, and dinner menus, dessert menus,
7 beverage menus, other specialty menus, electronic menus, menu
8 boards, and menus published on the Internet.

9 "Person" means any individual, partnership, firm,
10 corporation, company, society, association, the State or any
11 department, agency, or subdivision thereof, or any other
12 entity.

13 "Potency test" means a test on hemp-derived products that
14 measures the amount of cannabinoids, such as THC, in a sample.

15 "Process" means the conversion of raw ~~industrial~~ hemp
16 plant material into a form that is presently legal to import
17 from outside the United States under federal law.

18 "Processed hemp products" means products that are derived
19 from hemp that are made for purposes other than human
20 consumption. "Processed hemp products" include hemp fibers,
21 hemp hurd, hempcrete, hemp fuels, hemp topicals and lotions,
22 and other products, such as clothing, plastics, paper, or
23 textiles that use or may incorporate elements of hemp.

24 "Raw hemp products" means products that are derived from
25 hemp that are not processed or refined with any solvents or
26 chemical reactions. "Raw hemp products" includes hulled hemp

1 seed, hemp seed protein powder, hemp seed oil, hemp stalks,
2 hemp leaves, and artwork incorporating hemp by-products.

3 "Ready-to-eat hemp cannabinoid product" means a type of
4 hemp cannabinoid product available for human consumption,
5 including time or temperature control, or both, for safety
6 foods, as that term is defined in Section 1-201.10 of the Food
7 Code 2017 of the United States Public Health Service of the
8 Food and Drug Administration, that does not exceed 50
9 milligrams of THC per serving, and that utilize intermediate
10 hemp products as an input as is produced as a single serving in
11 a retail food establishment.

12 "Retail sale" means any sale of cannabinoid products that
13 would be subject to the Retailers' Occupation Tax Act.

14 "Serving" means the amount of product intended to be
15 consumed in a single serving as declared on the label
16 expressed in a common household measure. "Serving size" does
17 not include a fraction of a piece, but a fraction may be
18 indicated by marking or scoring on packaging or labeling.

19 "THC" means delta-9 tetrahydrocannabinol. "THC" does not
20 include CBD, CBG, CBN, delta-7 THC, delta-8 THC, delta-10 THC,
21 THCa, THCV, THCVa, and other yet-to-be-discovered
22 cannabinoids.

23 (Source: P.A. 102-690, eff. 12-17-21.)

24 (505 ILCS 89/6 new)

25 Sec. 6. Sale of hemp cannabinoid products.

1 (a) The wholesale and retail sale of cannabinoids, hemp
2 concentrate, or any other intermediate hemp cannabinoid
3 product is allowed as provided in this Act.

4 (b) No person shall offer or sell hemp cannabinoid
5 products, particularly packaged hemp products, to consumers in
6 the State of Illinois unless the person applies for and holds a
7 hemp retailer license issued by the Department of Financial
8 and Professional Regulation. No person shall sell ready-to-eat
9 hemp products to end consumers without holding a hemp food
10 establishment license issued by the Department of Public
11 Health.

12 (c) A hemp food establishment that sells any
13 ready-to-eat cannabinoid products shall be exclusively
14 licensed and located in the State of Illinois.

15 (d) No person shall sell a hemp cannabinoid product to any
16 person under the age of 21 unless the person is a medical
17 patient.

18 (e) No person shall sell, buy for, distribute samples of,
19 or furnish any cannabinoid product to any person under the age
20 of 21 except as provided in subsection (d).

21 (f) For purposes of this Act, a medical patient shall not
22 be considered an unlawful user solely as a result of his or her
23 qualifying patient or designated caregiver status. All
24 products purchased by a qualifying patient at a licensed
25 organization shall be lawful products and a distinction shall
26 be made between medical and nonmedical use as a result of the

1 qualifying patient's cardholder status.

2 (g) No person under 21 years of age in the furtherance or
3 facilitation of obtaining hemp cannabinoid products shall
4 display or use a false or forged identification card or
5 transfer, alter, or deface an identification card.

6 (h) A hemp food establishment or hemp retailer that sells
7 cannabinoid products intended for inhalation shall post a
8 clear and conspicuous sign directly adjacent to the display of
9 the product that states the following: "THE SALE OF
10 CANNABINOID PRODUCTS INTENDED FOR INHALATION TO PERSONS UNDER
11 THE AGE OF 21 IS PROHIBITED. PROOF OF AGE IS REQUIRED FOR
12 PURCHASE.".

13 (i) Cannabinoid products may not be mailed, shipped, or
14 otherwise delivered to a purchaser unless, before the delivery
15 to the purchaser, the hemp retailer obtains confirmation that
16 the purchaser is 21 years of age or older or is a medical
17 patient.

18 (j) Hemp food establishments and hemp retailers shall
19 require proof of age or proof of valid registration under the
20 Compassionate Use of Medical Cannabis Program Act from a
21 purchaser of any cannabinoid products before selling the
22 product to that person. Hemp food establishments and hemp
23 retailers shall exercise diligence in the management and
24 supervision of their premises and in the supervision and
25 training of their employees to prevent the underage sale of
26 these products.

1 (k) A product containing cannabinoids must not be
2 considered adulterated or unsafe solely because the product
3 contains cannabinoids or other material is extracted or
4 derived from hemp plants.

5 (l) A person, hemp retailer, or hemp food establishment
6 that violates subsection (e) is guilty of a violation of this
7 Act and is subject to a penalty under Section 17 of this Act. A
8 person under the age of 21 who violates subsection (g) is
9 guilty of a Class A misdemeanor.

10 (505 ILCS 89/7 new)

11 Sec. 7. Inhalable cannabinoid products.

12 (a) No person shall prepare and sell wholesale packaged
13 cannabinoid products that are intended for inhalation unless
14 the person is licensed by the Department as a hemp processor or
15 hemp distributor. No person shall offer inhalable hemp
16 cannabinoid products for sale directly to the public unless
17 the person is licensed as a hemp retailer.

18 (b) All cannabinoid products that are intended for
19 inhalation shall be manufactured by a source that meets local,
20 State, or federal regulatory good manufacturing practices and
21 health standards from the jurisdiction of origin.

22 (c) Hemp cannabinoid products intended for inhalation are
23 not subject to the Tobacco Products Tax Act of 1995.

24 (505 ILCS 89/10.5 new)

1 Sec. 10.5. Licensing and regulation of hemp farms.

2 (a) The Department of Agriculture may not limit the number
3 of hemp farm licenses.

4 (b) No person shall cultivate or grow hemp for commercial
5 purposes unless licensed by the Department of Agriculture and
6 subject to the rules adopted by the Department of Agriculture.
7 Hemp farms may not create hemp extractions without a hemp
8 processor license. A hemp farm may not engage in retail sales
9 without a hemp retailer license.

10 (c) All licensed hemp farms shall be responsible for
11 ensuring that their harvest of raw hemp products and live hemp
12 products test under 0.3% THC and maybe sold to other hemp
13 businesses or persons under the Compassionate Use of Medical
14 Cannabis Program Act.

15 (d) Businesses licensed under the Cannabis Regulation and
16 Tax Act may hold a hemp farm license.

17 (e) The Department of Agriculture may require hemp farm
18 applicants to enter into a labor peace agreement with a bona
19 fide labor organization.

20 (f) Hemp farm facilities may be located outdoors, in
21 greenhouses, or indoors and may be located on residentially
22 zoned properties in accordance with permitted agricultural use
23 guidelines from local zoning ordinances.

24 (g) Hemp farms may produce live and raw hemp products.
25 Live hemp products produced by hemp farms may only be sold and
26 exchanged with other hemp business establishments or medical

1 patients.

2 (h) Raw hemp products may be sold by hemp farms to
3 consumers without a hemp retailer's license.

4 (505 ILCS 89/10.10 new)

5 Sec. 10.10. Licensing and regulation of hemp processors.

6 (a) The Department of Agriculture may not limit the number
7 of hemp processor licenses.

8 (b) No person shall process hemp unless licensed by the
9 Department of Agriculture and subject to the rules adopted by
10 the Department. In addition to processing hemp, licensed hemp
11 processors may turn hemp plant material into intermediate hemp
12 products or manufacture hemp products for inhalation or
13 topical use. Processors may not grow hemp without a hemp farm
14 license. Processors may not manufacture hemp cannabinoid
15 products for human ingestion without a hemp food establishment
16 license. Processors may not engage in retail sales without a
17 hemp retailer license.

18 (c) A business licensed under the Cannabis Regulation and
19 Tax Act may hold a hemp processor license.

20 (d) The Department of Agriculture may require hemp
21 processor applicants to enter into a labor peace agreement
22 with a bona fide labor organization.

23 (505 ILCS 89/10.15 new)

24 Sec. 10.15. Regulation of hemp distributors.

1 (a) The Department of Financial and Professional
2 Regulation shall administer and enforce the provisions of this
3 Act relating to licensing and oversight of hemp distributor
4 establishments unless otherwise provided in this Act.

5 (b) No person shall operate a hemp distributor
6 establishment for the purpose of serving purchasers of raw
7 hemp products, intermediate hemp products, or hemp cannabinoid
8 products to other in-state hemp processors, hemp distributors,
9 hemp food establishments, hemp retailers, or cottage hemp food
10 operators without a license issued under this Act by the
11 Department of Financial and Professional Regulation.

12 (c) Subject to the provisions of this Act, the Department
13 of Financial and Professional Regulation may exercise the
14 following powers and duties:

15 (1) Prescribe forms to be issued for the
16 administration and enforcement of this Act.

17 (2) Examine, inspect, and investigate the premises,
18 operations, and records of hemp distributor organization
19 applicants and licensees.

20 (3) Conduct investigations of possible violations of
21 this Act pertaining to hemp distributor establishments.

22 (4) Conduct hearings on proceedings to refuse to issue
23 or renew licenses or to revoke, suspend, place on
24 probation, reprimand, or otherwise discipline a license
25 holder under this Act or take other nondisciplinary
26 action.

1 (505 ILCS 89/10.20 new)

2 Sec. 10.20. Hemp distributor license.

3 (a) As used in this Section, "Department" means the
4 Department of Financial and Professional Regulation.

5 (b) The Department may not limit the number of hemp
6 distributor licenses.

7 (c) Applicants for a hemp distributor license must submit
8 all information required by the Department. Failure by an
9 applicant to submit all required information may result in the
10 application being disqualified.

11 (d) The Department may verify information contained in
12 each application and accompanying documentation to assess the
13 applicant's veracity and fitness to operate a hemp distributor
14 establishment.

15 (e) The Department may refuse to issue an authorization to
16 any applicant:

17 (1) who fails to disclose or falsifies any information
18 called for in the applications;

19 (2) who has been found guilty of a violation of this
20 Act, who has had any disciplinary order entered against
21 the applicant by the Department, who has entered into a
22 disciplinary or nondisciplinary agreement with the
23 Department, or whose hemp business establishment license
24 was suspended, restricted, revoked, or denied in another
25 state; or

1 (3) who has engaged in a pattern or practice of unfair
2 or illegal practices, methods or activities in the conduct
3 of owning a hemp business establishment or other business.

4 The Department may require hemp distributor applicants to
5 enter into a labor peace agreement with a bona fide labor
6 organization.

7 (f) The Department shall deny the license if any principal
8 officer, board member, or person having a financial or voting
9 interest of 5% or greater on the license is delinquent in
10 filing any required tax returns or paying any amounts owed to
11 the State of Illinois.

12 (g) The Department shall verify an applicant's compliance
13 with the requirements of this Act and rules before issuing a
14 hemp distributor license.

15 (h) Businesses licensed under the Cannabis Regulation and
16 Tax Act may hold a hemp distributor license.

17 (505 ILCS 89/10.25 new)

18 Sec. 10.25. Operational requirements of hemp distributors.

19 (a) A hemp distributor establishment shall operate in
20 accordance with the representations made in its application
21 and license materials. It shall be in compliance with this Act
22 and rules.

23 (b) All live hemp products and hemp cannabinoid products
24 must be obtained from a hemp farm, hemp retailer, hemp food
25 establishment, or hemp distributor licensed by the State of

1 Illinois or from another similarly licensed out-of-state
2 entity.

3 (c) Hemp distributor establishments shall maintain
4 compliance with State and local building, fire, and zoning
5 requirements and regulations.

6 (d) A hemp distributor establishment's license allows for
7 a hemp distributor to be operated only at a single location.

8 (e) A hemp distributor establishment that handles or
9 stores live hemp products for other hemp business
10 establishments must obtain a separate hemp farm license for
11 each location.

12 (f) A hemp distributor establishment shall ensure that any
13 building or equipment used by the hemp distributor
14 establishment for the storage or sale of live hemp and hemp
15 cannabinoid products are maintained in a clean and sanitary
16 condition appropriate for the products being held and sold.

17 (g) A hemp distributor establishment shall be free from
18 infestation by insects, rodents, or pests.

19 (h) A hemp distributor license does not give the
20 organization the right to:

21 (1) grow hemp;

22 (2) produce or manufacture hemp or hemp cannabinoid
23 products;

24 (3) accept or sell hemp cannabinoid products that are
25 not packaged, tested, and labeled in accordance with this
26 Act and any rules that may be adopted pursuant to this Act;

1 (4) obtain unregistered live hemp or hemp cannabinoid
2 products;

3 (5) sell live hemp, intermediate hemp products, or
4 hemp cannabinoid products to anyone that is not a
5 registered hemp business establishment;

6 (6) sell live hemp products or hemp cannabinoid
7 products to hemp cannabinoid users or medical patients
8 unless the hemp distributor has also obtained a hemp
9 retailer license; or

10 (7) violate any other requirements or prohibitions set
11 by Department of Financial and Professional Regulation
12 rules.

13 (i) A hemp distributor license may be obtained by an
14 out-of-state entity, if the applicant:

15 (1) and all principal officers on the application
16 retains a registered agent or office and agrees to submit
17 to tax nexus within the State of Illinois for
18 jurisdictional, regulatory, and enforcement purposes;

19 (2) agrees to only sell to hemp business
20 establishments registered live hemp products that are
21 registered with the Department of Agriculture;

22 (3) agrees to only sell to hemp business
23 establishments intermediate hemp products that are tested
24 in accordance with the rules adopted pursuant to this Act;

25 (4) agrees to only sell to hemp business
26 establishments registered hemp cannabinoid products that

1 are registered with the State of Illinois; and

2 (5) maintains a log of all sales to hemp business
3 establishments located within the State of Illinois to be
4 submitted for inspection by the Department of Financial
5 and Professional Regulation.

6 (j) A hemp distributor establishment has the right to
7 obtain and concurrently operate a hemp farm, hemp processor,
8 hemp food establishment, and hemp retail establishment
9 licenses at its location so long as it is in compliance with
10 all local regulations and zoning ordinances.

11 (505 ILCS 89/10.30 new)

12 Sec. 10.30. Hemp distributor recordkeeping.

13 (a) A hemp distributor shall keep electronically, or at
14 the licensed address or place of business located within the
15 State of Illinois, complete and accurate records of all sales
16 or other dispositions of live hemp products, intermediate hemp
17 products, and hemp cannabinoid products sold, whether for
18 itself or for another, together with a physical inventory made
19 as of the close of each period for which a return is required,
20 covering all live hemp products, intermediate hemp products,
21 and hemp cannabinoid products on hand.

22 (b) A hemp distributor is required to retain invoices and
23 bills of lading covering purchases and invoices and duplicate
24 copies of bills of lading covering sales of live hemp
25 products, intermediate hemp products, and hemp cannabinoid

1 products.

2 To support deductions on the ground that deliveries of
3 live hemp products, intermediate hemp products, and hemp
4 cannabinoid products were made outside of the State of
5 Illinois, records shall include satisfactory evidence of
6 delivery to and receipt by out-of-state consignees.

7 (c) A physical inventory must be taken and a record
8 thereof preserved as of the close of business on the last
9 business day of each calendar month.

10 Hemp distributors shall include an inventory on hand of
11 all live hemp products, intermediate hemp products, and hemp
12 cannabinoid products, including those in bond and other
13 warehouses, and shall designate whether the hemp products are
14 owned by the hemp distributor or whether such hemp products
15 are lawfully held by the distributor as agent for another.

16 (d) A hemp distributor must, at the time of sale of any
17 live hemp products, intermediate hemp products, and hemp
18 cannabinoid products, render to the purchaser an invoice
19 describing the hemp product sold (including the tax rate
20 category applicable to the product sold), the date of sale, to
21 whom sold, and the quantity sold. Duplicate copies of all the
22 invoices must be made and preserved by the hemp distributor
23 for audit purposes.

24 When a hemp distributor sells live hemp products,
25 intermediate hemp products, or hemp cannabinoid products to
26 another hemp business establishment that is not a cottage hemp

1 food operator, each original and duplicate invoice pertaining
2 to the sale must be printed, stamped, or bear in writing
3 language substantially as follows: "Hemp products described
4 herein sold without payment of Illinois cannabinoid retail
5 hemp tax to holder of Illinois hemp license no. XXX.".

6 When a hemp distributor sells intermediate hemp products
7 to a cottage hemp food operator, each original and duplicate
8 invoice pertaining to the sale must be printed, stamped, or
9 bear in writing language substantially as follows "Payment of
10 Illinois cannabinoid retail hemp tax made by vendor issuing
11 this invoice.".

12 Failure of any hemp distributor to print, stamp, or write
13 upon any invoice covering live hemp products, intermediate
14 hemp products, or hemp cannabinoid products sold in Illinois
15 any statement relating to payment of the cannabinoid retail
16 hemp tax shall oblige the Department of Financial and
17 Professional Regulation to assume that the hemp distributor is
18 liable for tax with respect to the sales.

19 No hemp distributor shall sell or deliver any live hemp
20 products, intermediate hemp products, or hemp cannabinoid
21 products to another for resale, unless the person to whom live
22 hemp products are sold or delivered is authorized to receive
23 the products under the provisions of the Act. A hemp
24 distributor must place the license number of the person
25 receiving the products on all receipts, bills, invoices, and
26 statements covering the sales or deliveries.

1 (e) Hemp distributor establishment records must be
2 maintained electronically for 3 years and be available for
3 inspection by the Department of Financial and Professional
4 Regulation upon request, unless the Department, in writing,
5 authorizes the records' destruction or disposal at an earlier
6 date. Books and records must be maintained at the licensed
7 address that is located within the State of Illinois. The
8 Department may in its discretion prescribe uniform methods for
9 keeping the records.

10 (f) If a hemp distributor closes due to insolvency,
11 revocation, bankruptcy, or for any other reasons, all records
12 must be preserved at the expense of the hemp distributor for at
13 least 3 years in a form and location in Illinois acceptable to
14 the Department. The hemp distributor shall keep the records
15 longer if requested by the Department. The hemp distributor
16 shall notify the Department of the location where the hemp
17 retailer records are stored or transferred.

18 (g) A hemp distributor selling intermediate hemp products
19 to cottage food operators are responsible for maintaining
20 cottage food registration records and collecting cannabinoid
21 retail taxes on behalf of the cottage food operator.

22 (505 ILCS 89/10.35 new)

23 Sec. 10.35. Regulation of hemp retailers.

24 (a) As used in this Section, "Department" means the
25 Department of Financial and Professional Regulation.

1 (b) The Department shall administer and enforce the
2 provisions of this Act relating to licensing and oversight of
3 hemp retailers unless otherwise provided in this Act.

4 (c) No person shall operate a hemp retail establishment
5 for the purpose of serving purchasers of hemp cannabinoid
6 products without a license issued under this Act by the
7 Department.

8 (d) Subject to the provisions of this Act, the Department
9 may exercise the following powers and duties:

10 (1) Prescribe forms to be issued for the
11 administration and enforcement of this Act.

12 (2) Examine, inspect, and investigate the premises,
13 operations, and records of hemp retailer applicants and
14 licensees.

15 (3) Conduct investigations of possible violations of
16 this Act pertaining to hemp retailer.

17 (4) Conduct hearings on proceedings to refuse to issue
18 or renew licenses or to revoke, suspend, place on
19 probation, reprimand or otherwise discipline a license
20 holder under this Act or take other nondisciplinary
21 action.

22 (e) Businesses licensed under the Cannabis Regulation and
23 Tax Act may hold a hemp retailer license.

24 (f) The Department may not limit the number of hemp
25 retailer licenses.

26 (g) The Department may not limit the number of hemp

1 retailer licenses an individual may hold.

2 (h) Applicants for a hemp retailer license must submit all
3 information required by the Department. Failure by an
4 applicant to submit all required information may result in the
5 application being disqualified.

6 (i) The Department may verify information contained in
7 each application and accompanying documentation to assess the
8 applicant's veracity and fitness to operate a hemp retailer
9 establishment.

10 (j) The Department may refuse to issue a license to any
11 applicant:

12 (1) who fails to disclose or falsifies any information
13 called for in the application;

14 (2) who has been found guilty of a violation of this
15 Act, who has had any disciplinary order entered against
16 the applicant by the Department, who has entered into a
17 disciplinary or nondisciplinary agreement with the
18 Department, or whose hemp business establishment license
19 was suspended, restricted, revoked, or denied in another
20 state; or

21 (3) who has engaged in a pattern or practice of unfair
22 or illegal practices, methods, or activities in the
23 conduct of owning a hemp business establishment or other
24 business.

25 (k) The Department may require hemp retailer applicants to
26 enter into a labor peace agreement with a bona fide labor

1 organization.

2 (l) The Department shall deny the license if any principal
3 officer, board member or persons having a financial or voting
4 interest of 5% or greater on the license is delinquent in
5 filing any required tax returns or paying any amounts owed to
6 the State of Illinois.

7 (m) The Department shall verify an applicant's compliance
8 with the requirements of this Act and the rules adopted under
9 this Act before issuing a hemp retailer license.

10 (505 ILCS 89/10.40 new)

11 Sec. 10.40. Operational requirements of hemp retailers.

12 (a) A hemp retailer shall operate in accordance with the
13 representations made in its application and license materials.
14 It shall be in compliance with this Act and rules.

15 (b) All live hemp products and hemp cannabinoid products
16 must be obtained from a hemp farm, hemp distributor, hemp food
17 establishment, or another hemp retailer licensed by the State
18 of Illinois or from another similarly licensed out-of-state
19 entity.

20 (c) A hemp retailer establishment that handles or stores
21 live hemp products for the purpose of selling live hemp
22 products to medical patients must obtain a separate hemp farm
23 license for that location.

24 (d) A hemp retailer establishment that obtains a hemp food
25 establishment license may prepare and sell ready-to-eat hemp

1 cannabinoid products.

2 (e) A hemp retailer establishment that maintains a hemp
3 food establishment license may host cottage hemp food
4 operators on premises for special events lasting no longer
5 than 3 days.

6 (f) A hemp retailer establishment shall maintain
7 compliance with State and local building, fire, and zoning
8 requirements and regulations.

9 (g) A hemp retailer license allows for a hemp retailer to
10 be operated only at a single location.

11 (h) A hemp retailer establishment shall ensure that any
12 building or equipment used by the hemp retailer establishment
13 for the sale of hemp, hemp cannabinoid products, and
14 ready-to-eat hemp cannabinoid products are maintained in a
15 clean and sanitary condition.

16 (i) A hemp retailer establishment shall be free from
17 infestation by insects, rodents, or pests.

18 (j) A hemp retailer license does not give the licensee the
19 right to:

20 (1) grow hemp;

21 (2) produce or manufacture hemp or hemp cannabinoid
22 products;

23 (3) accept and sell hemp cannabinoid products that are
24 not packaged, tested, and labeled in accordance with this
25 Act and any rules that may be adopted pursuant to this Act;

26 (4) obtain unregistered live hemp or hemp cannabinoid

1 products;

2 (5) sell live hemp to a purchaser unless the purchaser
3 is registered under the Compassionate Use of Medical
4 Cannabis Program;

5 (6) sell hemp cannabinoid products to a purchaser
6 unless the purchaser is a medical patient or that the
7 purchaser has been verified to be 21 years of age or older;
8 or

9 (7) violate any other requirements or prohibitions set
10 by Department rules.

11 (k) A hemp retailer license may be obtained by an
12 out-of-state entity if the applicant:

13 (1) and all principal officers on the application
14 retains a registered agent or office and agree to submit
15 to tax nexus within the State of Illinois for
16 jurisdictional, regulatory, and enforcement purposes;

17 (2) agrees to only sell to residents located within
18 the State of Illinois registered live hemp products that
19 are registered with the Department of Agriculture;

20 (3) agrees to only sell to residents located within
21 the State of Illinois registered hemp cannabinoid products
22 that are registered with the State of Illinois; and

23 (4) maintains a log of all sales to residents located
24 within the State of Illinois to be submitted for
25 inspection by the Department.

26 (1) A hemp retailer has the right to obtain and operate

1 hemp farm, hemp distributor, hemp processor, or hemp food
2 establishments at its location if it is in compliance with all
3 local regulations and zoning ordinances.

4 (m) A hemp retailer is responsible for collecting and
5 remitting cannabinoid retail taxes.

6 (505 ILCS 89/10.45 new)

7 Sec. 10.45. Hemp retailer recordkeeping.

8 (a) Hemp retailer records must be maintained
9 electronically for 3 years and be available for inspection by
10 the Department upon request. Required written records include,
11 but are not limited to, the following:

12 (1) Operating procedures.

13 (2) Inventory records, policies, and procedures.

14 (3) Business records, including, but not limited to:

15 (A) Assets and liabilities.

16 (B) Monetary transactions.

17 (C) Written or electronic accounts, including bank
18 statements, journals, ledgers and supporting
19 documents, agreements, checks, invoices, receipts, and
20 vouchers.

21 (D) Any other financial accounts reasonably
22 related to the hemp retailer operations.

23 (b) If a hemp retailer closes due to insolvency,
24 revocation, bankruptcy, or for any other reasons, all records
25 must be preserved at the expense of the hemp retailer for at

1 least 3 years in a form and location in Illinois acceptable to
2 the Department. The hemp retailer shall keep the records
3 longer if requested by the Department. The hemp retailer shall
4 notify the Department of the location where the hemp retailer
5 records are stored or transferred.

6 (505 ILCS 89/10.50 new)

7 Sec. 10.50. Regulation of hemp food establishments.

8 (a) As used in this Section, "Department" means the
9 Department of Public Health.

10 (b) The Department shall administer and enforce the
11 provisions of this Act relating to licensing and oversight of
12 hemp food establishments unless otherwise provided in this
13 Act.

14 (c) No person shall operate a hemp food establishment for
15 the purpose of serving hemp cannabinoid products for human
16 ingestion or ready-to-eat hemp cannabinoid products without a
17 license issued under this Act.

18 (d) Subject to the provisions of this Act, the Department
19 may exercise the following powers and duties:

20 (1) Prescribe forms to be issued for the
21 administration and enforcement of this Act.

22 (2) Examine, inspect, and investigate the premises,
23 operations, and records of hemp food establishment
24 applicants and licensees.

25 (3) Conduct investigations of possible violations of

1 this Act pertaining to hemp food establishments.

2 (4) Conduct hearings on proceedings to refuse to issue
3 or renew licenses or to revoke, suspend, place on
4 probation, reprimand, or otherwise discipline a license
5 holder under this Act or take other nondisciplinary
6 action.

7 (e) Businesses licensed under the Cannabis Regulation and
8 Tax Act may hold a hemp food establishment license.

9 (505 ILCS 89/10.55 new)

10 Sec. 10.55. Hemp food establishment licenses.

11 (a) As used in this Section, "Department" means the
12 Department of Public Health.

13 (b) The Department may not limit the number of hemp food
14 establishment licenses.

15 (c) The Department shall not limit the number of licenses
16 an individual may hold. Applicants for a hemp food
17 establishment license must submit all information required by
18 the Department. Failure by an applicant to submit all required
19 information may result in the application being disqualified.

20 (d) The Department may verify information contained in
21 each application and accompanying documentation to assess the
22 applicant's veracity and fitness to operate a hemp food
23 establishment.

24 (e) The Department may refuse to issue an authorization to
25 any applicant:

1 (1) who fails to disclose or falsifies any information
2 called for in the application;

3 (2) who has been found guilty of a violation of this
4 Act, who has had any disciplinary order entered against
5 the applicant by the Department, who has entered into a
6 disciplinary or nondisciplinary agreement with the
7 Department, or whose hemp business establishment license
8 was suspended, restricted, revoked, or denied in another
9 State; or

10 (3) who has engaged in a pattern or practice of unfair
11 or illegal practices, methods, or activities in the
12 conduct of owning a hemp business establishment or other
13 business.

14 (f) The Department may require hemp food establishment
15 applicants to enter into a labor peace agreement with a bona
16 fide labor organization.

17 (g) The Department shall deny the license if any principal
18 officer, board member, or persons having a financial or voting
19 interest of 5% or greater on the license is delinquent in
20 filing any required tax returns or paying any amounts owed to
21 the State of Illinois.

22 (h) The Department shall verify an applicant's compliance
23 with the requirements of this Act and rules before issuing a
24 hemp food establishment license.

1 Sec. 10.60. Operational requirements of hemp food
2 establishments.

3 (a) A hemp food establishment dealing in the manufacture
4 and sale of food items that does not comply with the existing
5 State laws related to food handling or does not comply with the
6 health and food handling regulations of a unit of local
7 government having jurisdiction over the establishment may be
8 enjoined from doing business in the following manner: the
9 Department of Public Health or a local department of health
10 may seek an injunction in the circuit court for the county in
11 which the establishment is located. An injunction, if granted,
12 shall prohibit the hemp food establishment from selling hemp
13 cannabinoid products for human ingestion until it complies
14 with any applicable State law or regulations of a unit of local
15 government. However, no injunction may be sought or granted
16 before January 1, 2025, to enforce any rule or regulation
17 requiring a licensed food business to adhere to those rules
18 and regulations.

19 (b) The Department of Public Health shall adopt and
20 enforce rules for the manufacture and processing of hemp
21 cannabinoid products for human ingestion at a hemp food
22 establishment, and, for that purpose, it may at all times
23 enter every building, room, basement, enclosure, or premises
24 occupied or used, or suspected of being occupied or used, for
25 the production, preparation, manufacture for sale, storage,
26 sale, processing, distribution, or transportation and to

1 inspect the premises of a hemp food establishment together
2 with all utensils, fixtures, furniture, and machinery used for
3 the preparation of these products.

4 (c) A hemp food establishment shall be under the
5 operational supervision of a certified food service sanitation
6 manager in accordance with rules promulgated under this Act.

7 (d) A hemp food establishment shall operate in accordance
8 with the representations made in its application and license
9 materials. It shall be in compliance with this Act and rules.

10 (e) A hemp food establishment shall comply with the food
11 handling, preparation, packaging, and labeling provisions of
12 the Illinois Food, Drug and Cosmetic Act, the Food Handling
13 Regulation Enforcement Act, and the Sanitary Food Preparation
14 Act.

15 (f) A hemp food establishment shall obtain raw hemp
16 products from a hemp farm or hemp distributor.

17 (g) A hemp food establishment shall obtain intermediate
18 hemp products from a hemp distributor.

19 (h) A hemp food establishment that obtains a hemp retailer
20 license may prepare and sell ready-to-eat hemp cannabinoid
21 products.

22 (i) A hemp food establishment shall maintain compliance
23 with State and local building, fire, and zoning requirements.

24 (j) A hemp food establishment license allows for a hemp
25 food establishment to be operated only at a single location.

26 (k) A hemp food establishment shall ensure that any

1 building or equipment used by the hemp food establishment for
2 the storage, preparation, or sale of hemp cannabinoid products
3 for human ingestion and ready-to-eat hemp cannabinoid products
4 are maintained in a clean and sanitary condition.

5 (l) A hemp food establishment shall be free from
6 infestation by insects, rodents, or pests.

7 (m) A hemp food establishment, when combined with an
8 on-site hemp retailer license, allows for the preparation and
9 sale of ready-to-eat hemp cannabinoid products.

10 (n) A hemp food establishment license does not give the
11 establishment the right to:

12 (1) grow hemp;

13 (2) process hemp;

14 (3) accept and use intermediate hemp products that are
15 not packaged, tested, and labeled in accordance with this
16 Act;

17 (4) distribute intermediate hemp products to cottage
18 hemp food operators;

19 (5) obtain unregistered live hemp or hemp cannabinoid
20 products;

21 (6) prepare and sell ready-to-eat hemp cannabinoid
22 products to a purchaser unless the individual is
23 registered under the Compassionate Use of Medical Cannabis
24 Program or that the purchaser has been verified to be 21
25 years of age or older; or

26 (7) violate any other requirements or prohibitions set

1 by Department of Public Health rules.

2 (505 ILCS 89/10.65 new)

3 Sec. 10.65. Recipes and dosing of ready-to-eat hemp
4 cannabinoid products. In order to sell ready-to-eat hemp
5 cannabinoid products, a hemp food establishment shall do all
6 of the following:

7 (1) Use only intermediate hemp products that have been
8 fully tested in accordance with this Act.

9 (2) Keep THC dosing at or below 50 milligrams per
10 serving.

11 (3) Submit a standard operating procedure for dosing
12 to the Department for approval and registration. Such
13 approval shall be granted within 30 days of submission
14 unless the Department provides good cause, in writing, for
15 withholding approval.

16 (4) Submit the recipe, at the hemp food
17 establishment's expense, to a third-party testing
18 laboratory for potency testing to ensure 0.3% THC
19 compliance on an annual basis.

20 (5) Use only the varietal or proportional varietals of
21 ingredients included in the tested recipe for all
22 subsequent batches of the recipe.

23 (6) Provide documentation of the annual test results
24 of the recipe submitted under this paragraph upon
25 registration and to an inspector upon request during any

1 inspection authorized by the Department.

2 (505 ILCS 89/10.70 new)

3 Sec. 10.70. Disclosure and labeling of ready-to-eat hemp
4 cannabinoid products.

5 (a) Hemp food establishments must ensure that the total
6 milligram content of each type of Cannabinoid exceeding one
7 milligram contained in each ready-to-eat hemp cannabinoid menu
8 item is listed on the menu adjacent to the name or the price of
9 the associated menu item.

10 (b) Hemp food establishments must ensure that served
11 ready-to-eat hemp cannabinoid menu items include a label that:

12 (1) indicates the total milligram content of the
13 served item; and

14 (2) provides a QR code for a link to a web page
15 containing:

16 (A) a copy of the testing results of the
17 intermediate hemp product used;

18 (B) a copy of the dosing standard operating
19 procedure; and

20 (C) a copy of a representative compliance test for
21 the recipe.

22 (505 ILCS 89/10.75 new)

23 Sec. 10.75. Recordkeeping of ready-to-eat hemp cannabinoid
24 products.

1 (a) Hemp food establishment records must be maintained
2 electronically for 3 years and be available for inspection by
3 the Department upon request. Required records include, but are
4 not limited to, the following:

5 (1) Operating procedures and recipes.

6 (2) Inventory records, policies, and procedures.

7 (3) Batch creation logs of intermediate hemp products.

8 (4) Dosing records of ready-to-eat hemp cannabinoid
9 products.

10 (b) If a hemp food establishment closes due to insolvency,
11 revocation, bankruptcy, or for any other reasons, all records
12 must be preserved at the expense of the hemp food
13 establishment for at least 3 years in a form and location in
14 Illinois acceptable to the Department. The hemp food
15 establishment shall keep the records longer if requested by
16 the Department. The hemp food establishment shall notify the
17 Department of the location where the hemp food establishment
18 records are stored or transferred.

19 (505 ILCS 89/10.80 new)

20 Sec. 10.80. Regulation of cottage hemp food operators.

21 (a) As used in this Section, "Department" means the
22 Department of Public Health.

23 (b) The Department shall administer and enforce the
24 provisions of this Act relating to licensing and oversight of
25 cottage hemp food operators unless otherwise provided in this

1 Act.

2 (c) No person shall operate as a cottage hemp food
3 operator for the purpose of serving purchasers of ready-to-eat
4 hemp cannabinoid products without a license issued under this
5 Act.

6 (d) Subject to the provisions of this Act, the Department
7 may exercise the following powers and duties:

8 (1) Prescribe forms to be issued for the
9 administration and enforcement of this Act.

10 (2) Examine, inspect, and investigate the premises,
11 operations, and records of hemp food establishment
12 applicants and licensees.

13 (3) Conduct investigations of possible violations of
14 this Act pertaining to hemp food establishments.

15 (4) Conduct hearings on proceedings to refuse to issue
16 or renew licenses or to revoke, suspend, place on
17 probation, reprimand, or otherwise discipline a license
18 holder under this Act or take other nondisciplinary
19 action.

20 (505 ILCS 89/10.85 new)

21 Sec. 10.85. Cottage hemp food operator licenses.

22 (a) As used in this Section, "Department" means the
23 Department of Public Health.

24 (b) The Department may not limit the number of cottage
25 hemp food operator licenses issued.

1 (c) The Department shall not limit the number of licenses
2 an individual may hold.

3 (d) The fee for a cottage hemp food operator license is
4 \$75.

5 (e) An applicant for a cottage hemp food operator license
6 shall be an individual.

7 (f) An applicant for a hemp food establishment license
8 must submit all information required by the Department.
9 Failure by an applicant to submit all required information may
10 result in the application being disqualified.

11 (g) The Department may verify information contained in
12 each application and accompanying documentation to assess the
13 applicant's veracity and fitness to operate a hemp food
14 establishment.

15 (h) The Department may refuse to issue a license to any
16 applicant:

17 (1) who fails to disclose or falsifies any information
18 called for in the application;

19 (2) who has been found guilty of a violation of this
20 Act, who has had any disciplinary order entered against
21 the applicant by the Department, who has entered into a
22 disciplinary or nondisciplinary agreement with the
23 Department, or whose hemp business establishment license
24 was suspended, restricted, revoked, or denied in another
25 state; or

26 (3) who has engaged in a pattern or practice of unfair

1 or illegal practices, methods or activities in the conduct
2 of owning a hemp business establishment or other business.

3 (i) The Department shall deny the license if the applicant
4 is delinquent in filing any required tax returns or paying any
5 amounts owed to the State of Illinois.

6 (j) The Department shall verify an applicant's compliance
7 with the requirements of this Act and rules before issuing a
8 cottage hemp food operator license.

9 (k) A licensee under the Cannabis Regulation and Tax Act
10 may not hold a hemp cottage food license.

11 (505 ILCS 89/10.90 new)

12 Sec. 10.90. Operational requirements of cottage hemp food
13 operators.

14 (a) Cottage hemp food operators must register with a hemp
15 distributor annually.

16 (b) Cottage hemp food operators are responsible for paying
17 cannabinoid retail taxes to their hemp distributor.

18 (c) Cottage hemp food operators have an annual
19 intermediate hemp products purchase limit equivalent to 1,000
20 grams of THC.

21 (d) Cottage hemp food operators must comply with all
22 provisions of Section 4 of the Food Handling Regulation
23 Enforcement Act.

24 (e) In order to produce cottage hemp cannabinoid products,
25 the cottage hemp food operator shall:

1 (1) use only intermediate hemp products from its
2 registered distributor that have been fully tested in
3 accordance with this Act;

4 (2) attest to following a standard operating procedure
5 submitted by its licensed hemp distributor for dosing to
6 the Department of Public Health for approval and
7 registration;

8 (3) keep THC dosing at or below 50 milligrams per
9 serving.

10 (4) use no more than the equivalent of 1,000 grams of
11 THC in intermediate hemp products on an annual basis; and

12 (5) register with a hemp distributor, who is
13 responsible for collecting and remitting cannabinoid
14 retail taxes on behalf of the cottage hemp food operator.

15 (f) In order to sell cottage hemp cannabinoid products,
16 the cottage hemp food operator shall display at the point of
17 sale:

18 (1) A QR code with to links to a web page containing:

19 (A) A copy of the testing results of the
20 intermediate hemp product used.

21 (B) A copy of the registered distributor's dosing
22 SOP.

23 (2) Notice in a prominent location that states "This
24 product was made using tested cannabinoids but was
25 produced in a home kitchen not inspected by a health
26 department that may also process common food allergens and

1 may not be accurately dosed. If you have safety concerns,
2 contact your local health department."

3 Cottage hemp food products may not be sold to other hemp
4 business establishments.

5 (g) Cottage hemp cannabinoid products must conform with
6 the labeling requirements of the Illinois Food, Drug and
7 Cosmetic Act and the food shall be affixed with a prominent
8 label that includes the following:

9 (1) The name of the cottage hemp food operation.

10 (2) The identifying registration number provided for
11 the cottage hemp food operation.

12 (3) A label displaying the total milligram content of
13 each type of cannabinoid exceeding 1 milligram contained
14 in each cottage hemp cannabinoid product.

15 (4) The following phrase in prominent lettering "This
16 product was made using tested cannabinoids but was
17 produced in a home kitchen not inspected by a health
18 department that may also process common food allergens and
19 may not be accurately dosed. If you have safety concerns,
20 contact your local health department."

21 (h) Cottage hemp cannabinoid products produced by a
22 cottage hemp food operator shall be sold directly to hemp
23 cannabinoid users or medical patients within the State of
24 Illinois for their own consumption and not for resale. Sales
25 directly to consumers include, but are not limited to, sales
26 at or through:

- 1 (1) farmers markets;
2 (2) fairs, festivals, public events, or online;
3 (3) pickup from the private home or farm of the
4 cottage hemp food operator if the pickup is not prohibited
5 by ordinance of the unit of local government that applies
6 equally to all cottage food operations; in a municipality
7 with a population of 1,000,000 or more, a cottage hemp
8 food operator shall comply with an ordinance of the
9 municipality that applies equally to all home-based
10 businesses;
11 (4) delivery to the customer;
12 (5) pickup from a third-party private property with
13 the consent of the third-party property holder; and
14 (6) hemp retailer establishments.

15 (505 ILCS 89/10.95 new)

16 Sec. 10.95. Fee waivers for hemp social equity
17 participants.

18 (a) For hemp social equity participants, the Department of
19 Financial and Professional Regulation and the Department of
20 Agriculture shall waive 50% of any nonrefundable permit
21 application fees, any nonrefundable fees associated with
22 operating a hemp business establishment, and financial
23 requirements for a hemp social equity participant who is
24 applying for the individual's first hemp business
25 establishment permit.

1 (b) If the Department of Financial and Professional
2 Regulation or the Department of Agriculture determines that an
3 applicant who applied as a hemp social equity participant is
4 not eligible for that status, the applicant shall be provided
5 an additional 10 days to provide alternative evidence that he
6 or she qualifies as a hemp social equity participant.
7 Alternatively, the applicant may pay the remainder of the
8 waived fee and will not be considered as a hemp social equity
9 participant. If the applicant cannot do either, then the
10 Departments may keep the initial permit fee.

11 (505 ILCS 89/10.100 new)

12 Sec. 10.100. Limitations.

13 (a) Nothing in this Act:

14 (1) prohibits the issuance of a license or permit to a
15 person also holding a hemp business license authorizing
16 the manufacture, distribution, or retail sale of
17 cannabinoid products;

18 (2) allows any agreement between a licensing authority
19 and license or permit holder that prohibits the license or
20 permit holder from also holding a cannabinoid
21 manufacturer, distributor, or retailer license; or

22 (3) allows the revocation or suspension of a license
23 or permit, or the imposition of a penalty on a license or
24 permit holder, due to the license or permit holder also
25 holding a hemp business license.

1 (b) For purposes of this Section, "hemp business license"
2 means a hemp distributor, hemp cultivator, hemp processor,
3 hemp retailer, or hemp food establishment license issued by
4 the applicable Department.

5 (505 ILCS 89/11 new)

6 Sec. 11. Independent testing labs.

7 (a) No laboratory shall handle, test, or analyze hemp or
8 hemp cannabinoid products unless approved by the Department of
9 Agriculture in accordance with this Section. In lieu of
10 Department approval, all laboratories with a valid United
11 States Drug Enforcement Administration hemp analytical testing
12 laboratory registration, a current cannabis laboratory license
13 issued by the Department, or a valid ISO/IEC 17025
14 certification are considered approved.

15 (b) Notwithstanding subsection (a), a laboratory may not
16 be approved to handle, test, or analyze hemp or hemp
17 cannabinoid products unless the laboratory:

18 (1) is accredited by a private laboratory accrediting
19 organization;

20 (2) is independent from persons involved in the hemp
21 industry in Illinois, including that no person with a
22 direct or indirect interest in the laboratory has a direct
23 or indirect financial, management, or other interest in an
24 Illinois hemp business entity; and

25 (3) has employed at least one person to oversee and be

1 responsible for the laboratory testing who has earned,
2 from a college or university accredited by a national or
3 regional certifying authority, at least:

4 (A) a master's degree in chemical or biological
5 sciences and a minimum of 2 years' post degree
6 laboratory experience; or

7 (B) a bachelor's degree in chemical or biological
8 sciences and a minimum of 4 years' post degree
9 laboratory experience.

10 (4) Each independent testing laboratory that claims to
11 be accredited must provide the Department of Agriculture
12 with a copy of the most recent annual inspection report
13 granting accreditation and every annual report thereafter.

14 (c) No more than 30 days prior to harvest, a hemp farm
15 shall submit to an approved laboratory a sample of hemp to
16 verify that the THC concentration does not exceed 0.3% on a
17 dry-weight basis in the following manner:

18 (1) A sample shall be sent for each separate strain
19 and for each separate growing area at the Department of
20 Agriculture's discretion.

21 (2) A sample must consist of at least one ounce,
22 weighed at the time of harvest, and consist of full buds,
23 along with any attached leaves and stems.

24 (3) Quantitative laboratory determination of THC
25 concentration on a dry-weight basis must be performed.

26 (d) A test result with a THC concentration on a dry-weight

1 basis that exceeds 0.3% but is less than 0.7% may be retested
2 at the expense of the licensee. A request for a retest by the
3 licensee must be received by the Department of Agriculture
4 within 3 days after initial receipt of the original test
5 results by the licensee.

6 (e) All harvested hemp receiving a sample test result with
7 a THC concentration on a dry-weight basis that exceeds 0.3%
8 and is not retested at the request of the licensee shall be
9 destroyed.

10 (f) All harvested hemp receiving both a sample test result
11 and a sample retest result with THC concentrations on a
12 dry-weight basis that exceeds 0.3% shall be destroyed.

13 (g) All harvested hemp receiving a sample test result with
14 a THC concentration on a dry-weight basis that equals or
15 exceeds 1.0% shall be destroyed.

16 (h) All harvested hemp awaiting test results shall be
17 stored by the licensee or processor and shall not be processed
18 or transported until test results are obtained and the hemp is
19 released by the Department.

20 (505 ILCS 89/11.5 new)

21 Sec. 11.5. Laboratory testing of intermediate hemp
22 products.

23 (a) Immediately after the manufacturing or processing of
24 any intermediate hemp product, each batch shall be tested by
25 an approved laboratory for:

- 1 (1) microbiological contaminants;
- 2 (2) mycotoxins;
- 3 (3) pesticide active ingredients; and
- 4 (4) residual solvents.

5 An active ingredient analysis shall also be conducted.

6 (b) The laboratory shall immediately return or dispose of
7 the intermediate hemp product upon the completion of any
8 testing, use, or research. If intermediate hemp is disposed
9 of, it shall be done in compliance with Department of
10 Agriculture rule.

11 (c) If a sample of the intermediate hemp product does not
12 pass the microbiological, mycotoxin, pesticide chemical
13 residue, or solvent residual test, based on the standards
14 established by the Department of Agriculture, the following
15 applies:

16 (1) If the sample failed the pesticide chemical
17 residue test, the entire batch from which the sample was
18 taken shall, if applicable, be recalled as provided by
19 rule.

20 (2) If the sample failed any other test, the batch may
21 be used to make a CO₂-based or solvent-based extract. After
22 processing, the CO₂-based or solvent-based extract must
23 still pass all required tests.

24 (d) The Department shall establish standards for
25 microbial, mycotoxin, pesticide residue, solvent residue, or
26 other standards for the presence of possible contaminants.

1 (e) The laboratory shall file with the Department an
2 electronic copy of each laboratory test result for any batch
3 that does not pass the microbiological, mycotoxin, or
4 pesticide chemical residue test at the same time that it
5 transmits those results to the hemp processor. In addition,
6 the laboratory shall maintain the laboratory test results for
7 at least 5 years and make them available at the Department's
8 request.

9 (f) The hemp processor or hemp distributor shall provide
10 to a hemp business establishment the laboratory test results
11 for each batch of intermediate hemp products purchased by the
12 hemp business establishment, if sampled. A hemp business
13 establishment must have these laboratory results available
14 online or in-person upon request to purchasers.

15 (505 ILCS 89/11.10 new)

16 Sec. 11.10. Laboratory testing for hemp cannabinoid
17 products utilizing extraction methods.

18 (a) Hemp processors, hemp distributors, and hemp food
19 establishments must begin a new batch cycle every time a
20 specific hemp cannabinoid product is made. A manufacturer of
21 hemp cannabinoid products utilizing hemp cannabinoids directly
22 extracted from raw hemp or untested intermediate hemp products
23 and hemp cannabinoid products for human inhalation shall be
24 tested by the approved laboratory for:

25 (1) potency;

1 (2) microbiological contaminants;

2 (3) mycotoxins;

3 (4) pesticide active ingredients; and

4 (5) residual solvents.

5 An active ingredient analysis shall also be conducted.

6 (b) The laboratory shall immediately return or dispose of
7 the hemp cannabinoid product upon the completion of any
8 testing, use, or research. If the hemp cannabinoid product is
9 disposed of, it shall be done in compliance with Department
10 rule.

11 (c) If a sample of the hemp cannabinoid does not pass the
12 microbiological, mycotoxin, pesticide chemical residue, or
13 solvent residual test, based on the standards established by
14 the Department, the following applies:

15 (1) If the sample failed the pesticide chemical
16 residue test, the entire batch from which the sample was
17 taken shall, if applicable, be recalled as provided by
18 rule.

19 (2) If the sample failed any other test, the batch may
20 be used to make a CO₂-based or solvent-based extract. After
21 processing, the CO₂-based or solvent-based extract must
22 still pass all required tests.

23 (d) The Department of Agriculture shall establish
24 standards for microbial, mycotoxin, pesticide residue, solvent
25 residue, or other standards for the presence of possible
26 contaminants which shall be no more strict than comparable

1 food or inhalable product testing requirements.

2 (e) The laboratory shall file with the Department of
3 Agriculture an electronic copy of each laboratory test result
4 for any batch that does not pass the microbiological,
5 mycotoxin, or pesticide chemical residue test at the same time
6 that it transmits those results to the hemp processor,
7 distributor or food establishment. In addition, the laboratory
8 shall maintain the laboratory test results for at least 5
9 years and make them available at the Department of
10 Agriculture's request.

11 (f) The hemp processor, hemp distributor, or hemp food
12 establishment shall provide to a hemp business establishment
13 the laboratory test results for each batch of hemp cannabinoid
14 products purchased by the hemp business establishment, if
15 sampled. A hemp business establishment must have these
16 laboratory results available upon request to purchasers.

17 (505 ILCS 89/11.15 new)

18 Sec. 11.15. Laboratory testing for hemp cannabinoid
19 products for human ingestion.

20 (a) Hemp food establishments using intermediate hemp
21 products to create hemp cannabinoid products for human
22 ingestion that have passed testing under Section 11.10 only
23 need to test for federal compliance if all other ingredients
24 and inputs to be added into the hemp cannabinoid products are
25 food grade. The manufacturer of hemp cannabinoid products for

1 human ingestion must submit a representative sample of the
2 batch cycle every time a different intermediate hemp product
3 batch is used to an independent, accredited laboratory, which
4 shall be tested by the approved laboratory for potency.

5 (b) The laboratory shall immediately return or dispose of
6 the hemp cannabinoid product upon the completion of any
7 testing, use, or research. If the hemp cannabinoid product is
8 disposed of, it shall be done in compliance with Department
9 rule.

10 (c) If a sample of the hemp cannabinoid does not pass the
11 0.3% THC compliance test, based on the standards established
12 by the Department, the following applies:

13 (1) the batch may be used to make a CO₂-based or
14 solvent-based extract; and

15 (2) after processing, the CO₂-based or solvent-based
16 extract must pass all required tests.

17 (d) The hemp distributor or hemp food establishment shall
18 provide to a hemp business establishment the laboratory test
19 results for each batch of hemp cannabinoid products purchased
20 by the hemp business establishment, if sampled. A hemp
21 business establishment must have these laboratory results
22 available upon request to purchasers.

23 (505 ILCS 89/11.20 new)

24 Sec. 11.20. Laboratory testing for ready-to-eat hemp
25 cannabinoid products using tested intermediate hemp products.

1 (a) Retail hemp food establishments using intermediate
2 hemp products that have passed testing under Section 11 to
3 create ready-to-eat hemp cannabinoid products only need to
4 test for federal compliance if all other ingredients and
5 inputs to be added into the hemp cannabinoid products are food
6 grade. The retail hemp food establishment creating the
7 ready-to-eat hemp cannabinoid product for a manufacturer of a
8 product regulated under this Section must submit a
9 representative sample of its registered recipe using its
10 registered dosing standard operating procedure either (1)
11 annually or (2) every time a different intermediate hemp
12 product batch is used to an independent, accredited
13 laboratory, which shall be tested by the approved laboratory
14 for potency.

15 (b) The laboratory shall immediately return or dispose of
16 ready-to-eat hemp cannabinoid product upon the completion of
17 any testing, use, or research. If the ready-to-eat hemp
18 cannabinoid product is disposed of, it shall be done in
19 compliance with Department rule.

20 (c) The retail hemp food establishment shall provide to
21 its customers a copy of its registered recipe, registered
22 dosing standard operating procedure. A hemp distributor or
23 hemp food establishment shall provide to a hemp business
24 establishment the laboratory test results for each batch of
25 hemp cannabinoid products purchased by the hemp business
26 establishment, if sampled. A hemp business establishment must

1 have these laboratory results available upon request to
2 purchasers.

3 (505 ILCS 89/12 new)

4 Sec. 12. Hemp cannabinoid product packaging and labeling.

5 (a) A hemp cannabinoid product, except for cottage hemp
6 cannabinoid products, produced for sale to the general public
7 shall be registered with the Department on forms provided by
8 the Department. Each product registration must include a label
9 and the required registration fee at the rate established by
10 the Department not exceed \$50 per registered product. The
11 registration fee is for the name of the product offered for
12 sale and one fee is sufficient for all package sizes.

13 (b) A hemp cannabinoid product, except for ready-to-eat
14 hemp cannabinoid products and cottage hemp cannabinoid
15 products, such as packaged cannabinoid products, shall be
16 labeled before sale, and each label shall be securely affixed
17 to the package and shall state in English:

18 (1) The name and post office box or address of the
19 relevant hemp distributor, hemp processor, or hemp food
20 establishment where the item was manufactured.

21 (2) The common or usual name of the item and the
22 registered name of the hemp cannabinoid product that was
23 registered with the Department under subsection (a).

24 (3) The "use by" date.

25 (4) Content list, which must include:

1 (A) the minimum and maximum percentage content by
2 weight for any hemp-derived cannabinoid exceeding one
3 milligram; and

4 (B) all other ingredients of the product,
5 including any colors, artificial flavors, and
6 preservatives, listed in descending order by
7 predominance of weight shown with common or usual
8 names.

9 (5) For hemp cannabinoid products tested under Section
10 11.10:

11 (A) the date of testing and packaging and the
12 identification of the independent testing laboratory;
13 and

14 (B) a pass-fail rating based on the laboratory's
15 microbiological, mycotoxins, and pesticide and solvent
16 residue analysis.

17 (6) For hemp cannabinoid products tested under Section
18 11.15,

19 (A) the date of Section 50-10 intermediate hemp
20 product testing, packaging and the identification of
21 the independent testing laboratory; and

22 (B) a pass-fail rating based on the laboratory's
23 microbiological, mycotoxins, and pesticide and solvent
24 residue analysis of the Section 11.5 intermediate hemp
25 product.

26 The required packaging elements of this subsection may be

1 satisfied by means of a QR code linking to a website where the
2 information is available for a consumer.

3 (c) Packaging for packaged hemp cannabinoid products must
4 not contain information that:

5 (1) is false or misleading;

6 (2) promotes excessive consumption;

7 (3) depicts a person under 21 years of age consuming
8 hemp cannabinoids;

9 (4) includes the image of a cannabis or hemp leaf;

10 (5) includes images designed or likely to appeal to
11 minors, including cartoons, toys, animals, or children, or
12 any other likeness to images, characters; phrases that are
13 popularly used to advertise to children; or any packaging
14 or labeling that bears reasonable resemblance to any
15 product available for consumption as a commercially
16 available candy or that promotes consumption of cannabis;

17 or

18 (6) contains any seal, flag, crest, coat of arms, or
19 other insignia likely to mislead the purchaser to believe
20 that the product has been endorsed, made, or used by the
21 State of Illinois or any of its representatives, except as
22 authorized by this Act.

23 (d) All packaged hemp cannabinoid products must contain
24 warning statements established for purchasers, of a size that
25 is legible and readily visible to a consumer inspecting a
26 package, that may not be covered or obscured in any way. The

1 Department of Public Health shall define and update
2 appropriate health warnings for packaging, including specific
3 labeling or warning requirements for specific hemp cannabinoid
4 products.

5 (e) Unless modified by rule to strengthen or respond to
6 new evidence and science, the following warning applies to all
7 packaged hemp cannabinoid products unless modified by rule:
8 "This product contains cannabinoids and is intended for use by
9 adults 21 and over. Its use can impair cognition and may be
10 habit forming. This product should not be used by pregnant or
11 breastfeeding women. It is illegal to operate a motor vehicle
12 while under the influence of cannabinoids."

13 (f) Warnings for each of the following product types must
14 be present on labels when offered for sale to a purchaser:

15 (1) Hemp cannabinoid products for inhalation must
16 contain the following statement: "Smoking is hazardous to
17 your health."

18 (2) Hemp cannabinoid products for ingestion must
19 contain the following statement: "CAUTION: This product
20 contains cannabinoids, and intoxication following use may
21 be delayed 2 or more hours. This product was produced in a
22 facility that may also process common food allergens."

23 The warnings required under this subsection may be
24 satisfied by means of a QR code linking to a website where the
25 information is available for a consumer.

1 (505 ILCS 89/13 new)

2 Sec. 13. Hemp Social Equity Fund.

3 (a) The General Assembly finds that in order to address
4 the disparities described in this Section, aggressive
5 approaches and targeted technical assistance resources to
6 support social equity entrepreneurs are required. To carry
7 this intent, the Hemp Social Equity Fund is created to
8 directly address the impact of economic disinvestment,
9 violence, and the historical overuse of criminal justice
10 response to community and individual needs by providing
11 resources, funding, and technical assistance for hemp social
12 equity participants to establish, build, and create ownership
13 in hemp business establishments.

14 (b) There is created in the State treasury a special fund,
15 which shall be held separate and apart from all other State
16 moneys, to be known as the Hemp Social Equity Fund. 25% of all
17 moneys deposited into the Hemp Regulatory Fund shall be
18 transferred into the Hemp Social Equity Fund. The Hemp Social
19 Equity Fund shall be exclusively used for the following
20 purposes:

21 (1) to provide low-interest rate loans to qualified
22 hemp social equity participants to pay for ordinary and
23 necessary expenses to start and operate a hemp business
24 establishment permitted by this Act;

25 (2) to provide grants to qualified hemp social equity
26 participants to pay for ordinary and necessary expenses to

1 start and operate a hemp business establishment permitted
2 by this Act;

3 (3) to compensate the Department of Commerce and
4 Economic Opportunity for any costs related to the
5 provision of low-interest loans and grants to qualified
6 hemp social equity participants;

7 (4) to pay for education, outreach and technical
8 assistance that may be provided or targeted to attract and
9 support hemp social equity participants; and

10 (5) to support urban and rural farming, medicinal and
11 food security, and hemp-related criminal justice reform.

12 (c) Notwithstanding any other provision of law, the Hemp
13 Social Equity Fund is not subject to sweeps, administrative
14 charge-backs, or any other fiscal or budgetary maneuver that
15 would in any way transfer any amounts from the Hemp Social
16 Equity Fund into any other fund of the State.

17 (d) The Department of Commerce and Economic Opportunity
18 shall establish grant and loan programs, subject to
19 appropriations to the Hemp Social Equity Fund, for the purpose
20 of providing financial assistance, loans, grants and technical
21 assistance to hemp social equity participants.

22 (e) The Department of Commerce and Economic Opportunity
23 may:

24 (1) Provide Hemp Social Equity loans and grants from
25 appropriations from the Hemp Social Equity Fund to assist
26 qualified hemp social equity participants in gaining entry

1 to, and successfully operating in, the State's regulated
2 hemp-derived cannabinoid marketplace.

3 (2) Enter into agreements that set forth terms and
4 conditions of the financial assistance, accept funds or
5 grants, and engage in cooperation with private entities
6 and agencies of State or local government to carry out the
7 purposes of this Section.

8 (3) Fix, determine, charge and collect any premiums,
9 fees, charges, costs, and expenses, including application
10 fees, commitment fees, program fees, financing charges, or
11 publication fees in connection with its activities under
12 this Section.

13 (4) Coordinate assistance under these loan programs
14 with activities of the Department of Financial and
15 Professional Regulation, the Department of Agriculture,
16 and other agencies as needed to maximize the effectiveness
17 and efficiency of this Act.

18 (5) Provide staff and administrative and related
19 support required to administer this Section.

20 (6) Take whatever actions are necessary or appropriate
21 to protect the State's interest due to bankruptcy,
22 default, foreclosure, or noncompliance with the terms and
23 conditions of financial assistance provided under this
24 Section, including the ability to recapture funds if the
25 recipient is found to be noncompliant with the terms and
26 conditions of the financial assistance agreement.

1 (7) Establish application, notification, contract, and
2 other forms, procedures or rules deemed necessary and
3 appropriate.

4 (8) Utilize vendors or contract work to carry out the
5 purposes of this Act.

6 (f) Loans made under this Section:

7 (1) shall only be made if, in the Department's
8 judgment, the project furthers the goals set forth in this
9 Act; and

10 (2) shall be in such principal amount and form and
11 contain such terms and provisions with respect to
12 security, insurance, reporting, delinquency charges,
13 default remedies, and other matters as the Department
14 shall determine appropriate to protect the public interest
15 and to be consistent with the purposes of this Section.
16 The terms and provisions may be less than required for
17 similar loans not covered by this Section.

18 (g) Grants made under this Section shall be awarded on a
19 competitive and annual basis under the Grant Accountability
20 and Transparency Act. Grants made under this Section shall
21 further and promote the goals of this Act, including promotion
22 of hemp social equity participants, job training and workforce
23 development, and technical assistance to hemp social equity
24 participants.

25 (h) Beginning January 1, 2025 and each year thereafter,
26 the Department shall annually report to the Governor and the

1 General Assembly on the outcomes and effectiveness of this
2 Section that shall include the following:

3 (1) the number of persons or businesses receiving
4 financial assistance under this Section;

5 (2) the amount in financial assistance awarded in the
6 aggregate, in addition to the amount of loans made that
7 are outstanding and the amount of grants awarded;

8 (3) the location of the project engaged in by the
9 person or business; and

10 (4) if applicable, the number of new jobs and other
11 forms of economic output created as a result of the
12 financial assistance.

13 (i) The Department of Commerce and Economic Opportunity
14 shall include engagement with individuals with limited English
15 proficiency as part of its outreach provided or targeted to
16 attract and support hemp social equity participants.

17 (505 ILCS 89/15)

18 Sec. 15. Rules.

19 (a) The Department shall submit to the Secretary of the
20 United States Department of Agriculture a hemp production plan
21 under which the Department monitors and regulates the
22 production of ~~industrial~~ hemp in this State. The Department
23 shall adopt rules incorporating the hemp production plan,
24 including application and licensing requirements.

25 (b) The rules set by the Department shall include one

1 yearly inspection of a licensed ~~industrial~~ hemp cultivation
2 operation and allow for additional unannounced inspections of
3 a licensed ~~industrial~~ hemp cultivation operation at the
4 Department's discretion.

5 (c) The Department shall adopt rules necessary for the
6 administration and enforcement of this Act in accordance with
7 all applicable State and federal laws and regulations,
8 including rules concerning standards and criteria for
9 licensure and registration, for the payment of applicable
10 fees, signage, and for forms required for the administration
11 of this Act.

12 (d) The Department shall adopt rules for the testing of
13 the ~~industrial~~ hemp THC levels and the disposal of plant
14 matter exceeding lawful THC levels, including an option for a
15 cultivator to retest for a minor violation, with the retest
16 threshold determined by the Department and set in rule. Those
17 rules may provide for the use of seed certified to meet the THC
18 levels mandated by this Act as an alternative to testing.

19 (e) The application form for licenses under this Act shall
20 be determined by the Department and set by rule within 180 days
21 after the effective date of this amendatory Act of the 103rd
22 General Assembly.

23 (f) The rules adopted by the appropriate regulatory
24 Department may include one yearly inspection of a licensed
25 hemp farm, hemp distribution, hemp processing, hemp food
26 establishment, or hemp retailer and allow for additional

1 unannounced inspections of a licensed hemp business
2 establishment upon good cause.

3 (g) The Department shall adopt rules necessary for the
4 administration and enforcement of this Act, including rules
5 concerning the payment of applicable fees, signage, and forms
6 required for the administration of this Act. The fee for any
7 hemp business license or renewal shall not exceed \$250.

8 (h) The Department shall adopt rules for the testing of
9 the hemp THC levels and the disposal of plant matter exceeding
10 lawful hemp THC levels, including an option for a cultivator
11 to retest for a minor violation. Those rules must provide for
12 the use of seed certified to meet the hemp THC levels mandated
13 by this Act as an alternative to testing.

14 (i) The Department shall not limit by rule the quantity of
15 any hemp licenses. The rules shall require the license
16 application process to be open indefinitely and shall require
17 the Department to approve or deny all license applications
18 within 30 calendar days.

19 (j) The Department shall expressly permit by rule
20 individuals who are disallowed from holding an Illinois hemp
21 license by Section 297B(e)(3)(B)(i) of the Agricultural
22 Marketing Act of 1946 (7 U.S.C. 1939p) to hold a hemp business
23 license, work for a hemp business establishment, and produce
24 Illinois hemp.

25 (k) If federal rules disallow certain provisions of these
26 rules, such as those for hemp social equity participants or

1 individuals with nonviolent state or federal controlled
2 substance felony convictions within the last 10 years who are
3 prohibited from participating in hemp programs or possessing
4 ownership or controlling management stake in an hemp business
5 establishment, Illinois hemp business establishments may
6 legally produce, process, and distribute Illinois hemp within
7 the State of Illinois if they do not export Illinois hemp.

8 (Source: P.A. 102-690, eff. 12-17-21.)

9 (505 ILCS 89/15.5 new)

10 Sec. 15.5. Publishing information. The Department shall
11 make available to the public complaints about cannabinoid
12 products, information regarding a pending administrative
13 hearing or court case under this Act, and any disciplinary
14 action taken against a cannabinoid product manufacturer,
15 processor, or seller.

16 (505 ILCS 89/16 new)

17 Sec. 16. Importing intermediate and finished hemp products
18 into the State of Illinois.

19 (a) Out-of-state entities that import live hemp products,
20 intermediate hemp products, or hemp cannabinoid products for
21 ingestion or inhalation into the State of Illinois to sell to
22 licensed hemp business establishments must obtain a hemp
23 distributor permit.

24 (b) Out-of-state entities may not import into the State of

1 Illinois ready-to-eat hemp products or cottage hemp
2 cannabinoid products.

3 (c) Out-of-state entities may not sell hemp cannabinoid
4 products to end consumers within the State of Illinois unless
5 they obtain a hemp retailer permit and maintain proof of age
6 verification and shipping manifests for a period of 3 years.

7 (505 ILCS 89/17)

8 Sec. 17. Administrative hearings.

9 (a) Administrative hearings involving licensees under this
10 Act shall be conducted under the Department's rules governing
11 formal administrative proceedings.

12 (b) The following administrative fines may be imposed by
13 the Department upon any person or entity who violates any
14 provision of this Act or any rule adopted by any State
15 department under this Act:

16 (1) A penalty of \$2,500 for a first violation.

17 (2) A penalty of \$5,000 for a second violation at the
18 same location within 2 years of the first violation.

19 (3) A penalty of \$10,000 for a third or subsequent
20 violation at the same location within 2 years of the
21 second or subsequent violation.

22 Moneys collected by the Department under this Section
23 shall be deposited into the Hemp Regulatory Fund. Any penalty
24 of \$5,000 or greater that is not paid within 120 days of
25 issuance of notice from the Department shall be submitted to

1 the Department of Revenue for collection as provided under the
2 Illinois State Collection Act of 1986. The Department may
3 prohibit any person from selling or distributing a hemp
4 cannabinoid product for failure to pay an administrative
5 monetary penalty within 60 days of issuance of notice from the
6 Department.

7 (c) All final administrative decisions of the Department
8 are subject to judicial review under the Administrative Review
9 Law. The term "administrative decision" has the meaning given
10 to that term in Section 3-101 of the Code of Civil Procedure.

11 (Source: P.A. 100-1091, eff. 8-26-18.)

12 (505 ILCS 89/17.5 new)

13 Sec. 17.5. Temporary restraining order or injunction. The
14 Director, through the Attorney General, may file a complaint
15 and apply to the circuit court for, and the court upon hearing
16 and for cause shown may grant, a temporary restraining order
17 or a preliminary or permanent injunction restraining any
18 person from violating this Act.

19 (505 ILCS 89/18)

20 Sec. 18. ~~Industrial~~ Hemp Regulatory Fund. There is
21 created in the State treasury a special fund to be known as the
22 ~~Industrial~~ Hemp Regulatory Fund. All fees and fines collected
23 by the Department under this Act shall be deposited into the
24 Fund. Moneys in the Fund shall be utilized by the Department

1 for the purposes of implementation, administration, and
2 enforcement of this Act.

3 (Source: P.A. 100-1091, eff. 8-26-18.)

4 (505 ILCS 89/18.5 new)

5 Sec. 18.5. Cannabinoid retail tax.

6 (a) Beginning on July 1, 2024, a tax is imposed upon
7 purchases for hemp cannabinoid products at a rate of 5% of the
8 purchase price of the cannabinoid products.

9 (b) Live hemp products, raw hemp products, processed hemp
10 products, intermediate hemp products, and cottage hemp
11 cannabinoid products may not be taxed under this Act.

12 (c) Cannabinoid products sold for research purposes may
13 not be taxed under this Act.

14 (d) The tax imposed under this Act shall be in addition to
15 all other occupation, privilege, or excise taxes imposed by
16 the State of Illinois or by any municipal corporation or
17 political subdivision thereof.

18 (e) The tax imposed under this Act may not be imposed on
19 any purchase by a purchaser if the hemp retailer is prohibited
20 by federal or State constitution, treaty, convention, statute,
21 or court decision from collecting the tax from the purchaser.

22 (f) The tax imposed by this Act shall be collected from the
23 purchaser by the hemp retailer or hemp food establishment and
24 shall be remitted to the Department on or before the 20th day
25 of each month for the preceding calendar month stating the

1 following:

2 (1) the hemp retailer's or hemp food establishment's
3 name;

4 (2) the address of the hemp retailer's principal place
5 of business and the address of the principal place of
6 business (if that is a different address) from which the
7 hemp retailer engaged in the business of selling
8 cannabinoid products subject to tax under this Act;

9 (3) the total purchase price received by the hemp
10 retailer for hemp subject to tax under this Act;

11 (4) the amount of tax due;

12 (5) the signature of the hemp retailer; and

13 (6) any other information as the Department may
14 reasonably require.

15 (g) All returns required to be filed and payments required
16 to be made under this Act shall be by electronic means.

17 (h) Any amount that is required to be shown or reported on
18 any return or other document under this Act shall, if the
19 amount is not a whole-dollar amount, be increased to the
20 nearest whole-dollar amount if the fractional part of a dollar
21 is \$0.50 or more and decreased to the nearest whole-dollar
22 amount if the fractional part of a dollar is less than \$0.50.
23 If a total amount of less than \$1 is payable, refundable, or
24 creditable, the amount shall be disregarded if it is less than
25 \$0.50 and shall be increased to \$1 if it is \$0.50 or more.

26 (i) Any hemp retailer required to collect the tax imposed

1 by this Act shall be liable to the Department for the tax,
2 whether or not the tax has been collected by the hemp retailer,
3 and any such tax shall constitute a debt owed by the hemp
4 retailer to this State. To the extent that a hemp retailer
5 required to collect the tax imposed by this Act has actually
6 collected that tax, the tax is held in trust for the benefit of
7 the Department.

8 (j) Any hemp retailer who ceases to engage in the kind of
9 business that makes the person responsible for filing returns
10 under this Act shall file a final return under this Act with
11 the Department within one month after discontinuing the
12 business.

13 (505 ILCS 89/20)

14 Sec. 20. Hemp products.

15 (a) Raw hemp products may be sold by any legal business
16 entity within Illinois, may be purchased by any member of the
17 general public, and are not subject to hemp cannabinoid
18 product taxes.

19 (b) Nothing in this Act shall alter the legality of hemp or
20 hemp products that are held by a person and ~~presently~~ legal to
21 possess or own on the effective date of this amendatory Act of
22 the 103rd General Assembly.

23 (Source: P.A. 100-1091, eff. 8-26-18.)

24 (505 ILCS 89/28 new)

1 Sec. 28. Local ordinances. Unless otherwise provided under
2 this Act or otherwise in accordance with State law:

3 (1) A unit of local government, including a home rule
4 unit or any non-home rule county within the unincorporated
5 territory of the county, may enact reasonable zoning
6 ordinances or resolutions, not in conflict with this Act
7 or rules adopted pursuant to this Act, regulating hemp
8 business establishments. No unit of local government,
9 including a home rule unit or any non-home rule county
10 within the unincorporated territory of the county, may
11 prohibit home cultivation or consumption of hemp or
12 cannabinoid products authorized by this Act.

13 (2) A unit of local government, including a home rule
14 unit or any non-home rule county within the unincorporated
15 territory of the county, may enact ordinances or rules not
16 in conflict with this Act or with rules adopted pursuant
17 to this Act governing the time and manner of hemp business
18 establishment operations through the use of conditional
19 use permits. A unit of local government, including a home
20 rule unit, may establish civil penalties for violation of
21 an ordinance or rules governing the time and manner of
22 operation of a hemp business establishment or a
23 conditional use permit in the jurisdiction of the unit of
24 local government. No unit of local government, including a
25 home rule unit or non-home rule county within an
26 unincorporated territory of the county, may unreasonably

1 restrict the time or manner of hemp business establishment
2 operations authorized by this Act. No unit of local
3 government, including a home rule unit or non-home rule
4 county within an unincorporated territory of the county,
5 may restrict the number of hemp business establishment
6 operations authorized by this Act.

7 (3) A unit of local government, including a home rule
8 unit or any non-home rule county within the unincorporated
9 territory of the county, may not enact minimum distance
10 limitations between hemp business establishments and
11 locations it deems sensitive.

12 (4) A unit of local government, including a home rule
13 unit, or any non-home rule county within the
14 unincorporated territory of the county may authorize or
15 permit the on-premises consumption of cannabinoid products
16 at or in a dispensing organization or retail tobacco store
17 (as defined in Section 10 of the Smoke Free Illinois Act)
18 within its jurisdiction in a manner consistent with this
19 Act. A dispensing organization or retail tobacco store
20 authorized or permitted by a unit of local government to
21 allow on-site consumption shall not be deemed a public
22 place within the meaning of the Smoke Free Illinois Act.

23 (5) A unit of local government, including a home rule
24 unit or any non-home rule county within the unincorporated
25 territory of the county, may not regulate the activities
26 described in paragraph (1), (2), or (3) in a manner more

1 restrictive than the regulation of those activities by the
2 State under this Act.

3 (6) A unit of local government, including a home rule
4 unit or any non-home rule county within the unincorporated
5 territory of the county, may not enact ordinances to
6 prohibit or significantly limit a hemp business
7 establishment's location.

8 (505 ILCS 89/30 new)

9 Sec. 30. Task force; gathering data.

10 (a) The Director shall establish a task force to publish
11 one or more disparity and availability studies that:

12 (1) evaluate the risks and benefits of cannabinoids;

13 (2) evaluate the availability of hemp and cannabis
14 products to minors;

15 (3) evaluate economic development attributable to hemp
16 and hemp-derived cannabinoids across this State,
17 especially in communities who have been most impacted by
18 the War on Drugs; and

19 (4) evaluate whether there exists discrimination in
20 this State's hemp industry and, if so, evaluate the impact
21 of this discrimination on the State, and include
22 recommendations to the Department for reducing or
23 eliminating any identified barriers to entry in the hemp
24 market.

25 The disparity and availability studies shall examine each

1 license type issued pursuant to Sections 10.5, 10.10, and
2 10.20 and shall be initiated within 180 days from the issuance
3 of the first of each license authorized by those Sections. The
4 report must include the task force's legislative
5 recommendations regarding further cannabinoid research, the
6 use and availability of cannabinoid products and cannabis
7 products among minors, and the impact of cannabinoid products
8 on minority-owned and women-owned business creation.
9 Additionally, the report must contain an analysis of the
10 effectiveness of each recommendation. This analysis will
11 assess the potential impact and outcomes of the proposed
12 legislative measures. The task force shall make rule
13 recommendations as part of the report. The results of each
14 disparity and availability study shall be reported to the
15 General Assembly and the Governor no later than 12 months
16 after the commission of each study.

17 The Director shall forward a copy of the task force's
18 study and recommendations to the Department of Financial and
19 Professional Regulation, the Department of Agriculture, and
20 the Department of Commerce and Economic Opportunity.

21 (b) The Department may compile, collect, or otherwise
22 gather data necessary for the administration of this Act and
23 to carry out the Director's duty relating to the
24 recommendation of policy changes. The Department of
25 Agriculture may direct the Department of Financial and
26 Professional Regulation, Department of Public Health,

1 Department of Human Services, and Department of Commerce and
2 Economic Opportunity to assist in the compilation, collection,
3 and data gathering authorized under this subsection. The
4 Director shall compile all of the data into a single report and
5 submit the report to the Governor and the General Assembly and
6 publish the report on its website.

7 (c) If the Director may use a third party to complete the
8 responsibilities of subsection (a), subsection (b), or both.
9 If the Director elects to use a third party to complete any
10 element of this Section, preference shall be given to entities
11 with experience in increasing diversity in the hemp or
12 cannabis industry and making policy recommendations to the
13 General Assembly.

14 (505 ILCS 89/800 new)

15 Sec. 800. Home rule preemption. Except as otherwise
16 provided in this Act, the regulation and permitting of the
17 activities described in this Act are exclusive powers and
18 functions of the State. Except as otherwise provided in this
19 Act, a unit of local government, including a home rule unit,
20 may not regulate or license the activities described in this
21 Act. This Act is a denial and limitation of home rule powers
22 and functions under subsection (h) of Section 6 of Article VII
23 of the Illinois Constitution.

24 (505 ILCS 89/10 rep.)

1 Section 35. The Industrial Hemp Act is amended by
2 repealing Section 10.

3 Section 40. The Illinois Noxious Weed Law is amended by
4 changing Section 2 as follows:

5 (505 ILCS 100/2) (from Ch. 5, par. 952)

6 Sec. 2. As used in this Act:

7 (1) "Person" means any individual, partnership, firm,
8 corporation, company, society, association, the State or any
9 department, agency, or subdivision thereof, or any other
10 entity.

11 (2) "Control", "controlled" or "controlling" includes
12 being in charge of or being in possession, whether as owner,
13 lessee, renter, or tenant, under statutory authority, or
14 otherwise.

15 (3) "Director" means the Director of the Department of
16 Agriculture of the State of Illinois, or his or her duly
17 appointed representative.

18 (4) "Department" means the Department of Agriculture of
19 the State of Illinois.

20 (5) "Noxious weed" means any plant which is determined by
21 the Director, the Dean of the College of Agricultural,
22 Consumer and Environmental Sciences of the University of
23 Illinois and the Director of the Agricultural Experiment
24 Station at the University of Illinois, to be injurious to

1 public health, crops, livestock, land or other property.
2 "Noxious weed" does not include ~~industrial~~ hemp as defined and
3 authorized under the ~~Industrial~~ Hemp Act.

4 (6) "Control Authority" means the governing body of each
5 county, and shall represent all rural areas and cities,
6 villages and townships within the county boundaries.

7 (7) "Applicable fund" means the fund current at the time
8 the work is performed or the money is received.

9 (Source: P.A. 99-539, eff. 7-8-16; 100-1091, eff. 8-26-18.)

10 Section 45. The Cannabis Control Act is amended by
11 changing Sections 4, 5, 5.1, and 8 as follows:

12 (720 ILCS 550/4) (from Ch. 56 1/2, par. 704)

13 Sec. 4. Except as otherwise provided in the Cannabis
14 Regulation and Tax Act and the ~~Industrial~~ Hemp Act, it is
15 unlawful for any person knowingly to possess cannabis.

16 Any person who violates this Section with respect to:

17 (a) not more than 10 grams of any substance containing
18 cannabis is guilty of a civil law violation punishable by
19 a minimum fine of \$100 and a maximum fine of \$200. The
20 proceeds of the fine shall be payable to the clerk of the
21 circuit court. Within 30 days after the deposit of the
22 fine, the clerk shall distribute the proceeds of the fine
23 as follows:

24 (1) \$10 of the fine to the circuit clerk and \$10 of

1 the fine to the law enforcement agency that issued the
2 citation; the proceeds of each \$10 fine distributed to
3 the circuit clerk and each \$10 fine distributed to the
4 law enforcement agency that issued the citation for
5 the violation shall be used to defer the cost of
6 automatic expungements under paragraph (2.5) of
7 subsection (a) of Section 5.2 of the Criminal
8 Identification Act;

9 (2) \$15 to the county to fund drug addiction
10 services;

11 (3) \$10 to the Office of the State's Attorneys
12 Appellate Prosecutor for use in training programs;

13 (4) \$10 to the State's Attorney; and

14 (5) any remainder of the fine to the law
15 enforcement agency that issued the citation for the
16 violation.

17 With respect to funds designated for the Illinois
18 State Police, the moneys shall be remitted by the circuit
19 court clerk to the Illinois State Police within one month
20 after receipt for deposit into the State Police Operations
21 Assistance Fund. With respect to funds designated for the
22 Department of Natural Resources, the Department of Natural
23 Resources shall deposit the moneys into the Conservation
24 Police Operations Assistance Fund;

25 (b) more than 10 grams but not more than 30 grams of
26 any substance containing cannabis is guilty of a Class B

1 misdemeanor;

2 (c) more than 30 grams but not more than 100 grams of
3 any substance containing cannabis is guilty of a Class A
4 misdemeanor; provided, that if any offense under this
5 subsection (c) is a subsequent offense, the offender shall
6 be guilty of a Class 4 felony;

7 (d) more than 100 grams but not more than 500 grams of
8 any substance containing cannabis is guilty of a Class 4
9 felony; provided that if any offense under this subsection
10 (d) is a subsequent offense, the offender shall be guilty
11 of a Class 3 felony;

12 (e) more than 500 grams but not more than 2,000 grams
13 of any substance containing cannabis is guilty of a Class
14 3 felony;

15 (f) more than 2,000 grams but not more than 5,000
16 grams of any substance containing cannabis is guilty of a
17 Class 2 felony;

18 (g) more than 5,000 grams of any substance containing
19 cannabis is guilty of a Class 1 felony.

20 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
21 102-538, eff. 8-20-21.)

22 (720 ILCS 550/5) (from Ch. 56 1/2, par. 705)

23 Sec. 5. Except as otherwise provided in the Cannabis
24 Regulation and Tax Act and the ~~Industrial~~ Hemp Act, it is
25 unlawful for any person knowingly to manufacture, deliver, or

1 possess with intent to deliver, or manufacture, cannabis. Any
2 person who violates this Section with respect to:

3 (a) not more than 2.5 grams of any substance
4 containing cannabis is guilty of a Class B misdemeanor;

5 (b) more than 2.5 grams but not more than 10 grams of
6 any substance containing cannabis is guilty of a Class A
7 misdemeanor;

8 (c) more than 10 grams but not more than 30 grams of
9 any substance containing cannabis is guilty of a Class 4
10 felony;

11 (d) more than 30 grams but not more than 500 grams of
12 any substance containing cannabis is guilty of a Class 3
13 felony for which a fine not to exceed \$50,000 may be
14 imposed;

15 (e) more than 500 grams but not more than 2,000 grams
16 of any substance containing cannabis is guilty of a Class
17 2 felony for which a fine not to exceed \$100,000 may be
18 imposed;

19 (f) more than 2,000 grams but not more than 5,000
20 grams of any substance containing cannabis is guilty of a
21 Class 1 felony for which a fine not to exceed \$150,000 may
22 be imposed;

23 (g) more than 5,000 grams of any substance containing
24 cannabis is guilty of a Class X felony for which a fine not
25 to exceed \$200,000 may be imposed.

26 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

1 (720 ILCS 550/5.1) (from Ch. 56 1/2, par. 705.1)

2 Sec. 5.1. Cannabis trafficking.

3 (a) Except for purposes authorized by this Act, the
4 ~~Industrial~~ Hemp Act, or the Cannabis Regulation and Tax Act,
5 any person who knowingly brings or causes to be brought into
6 this State for the purpose of manufacture or delivery or with
7 the intent to manufacture or deliver 2,500 grams or more of
8 cannabis in this State or any other state or country is guilty
9 of cannabis trafficking.

10 (b) A person convicted of cannabis trafficking shall be
11 sentenced to a term of imprisonment not less than twice the
12 minimum term and fined an amount as authorized by subsection
13 (f) or (g) of Section 5 of this Act, based upon the amount of
14 cannabis brought or caused to be brought into this State, and
15 not more than twice the maximum term of imprisonment and fined
16 twice the amount as authorized by subsection (f) or (g) of
17 Section 5 of this Act, based upon the amount of cannabis
18 brought or caused to be brought into this State.

19 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

20 (720 ILCS 550/8) (from Ch. 56 1/2, par. 708)

21 Sec. 8. Except as otherwise provided in the Cannabis
22 Regulation and Tax Act and the ~~Industrial~~ Hemp Act, it is
23 unlawful for any person knowingly to produce the Cannabis
24 sativa plant or to possess such plants unless production or

1 possession has been authorized pursuant to the provisions of
2 Section 11 or 15.2 of the Act. Any person who violates this
3 Section with respect to production or possession of:

4 (a) Not more than 5 plants is guilty of a civil
5 violation punishable by a minimum fine of \$100 and a
6 maximum fine of \$200. The proceeds of the fine are payable
7 to the clerk of the circuit court. Within 30 days after the
8 deposit of the fine, the clerk shall distribute the
9 proceeds of the fine as follows:

10 (1) \$10 of the fine to the circuit clerk and \$10 of
11 the fine to the law enforcement agency that issued the
12 citation; the proceeds of each \$10 fine distributed to
13 the circuit clerk and each \$10 fine distributed to the
14 law enforcement agency that issued the citation for
15 the violation shall be used to defer the cost of
16 automatic expungements under paragraph (2.5) of
17 subsection (a) of Section 5.2 of the Criminal
18 Identification Act;

19 (2) \$15 to the county to fund drug addiction
20 services;

21 (3) \$10 to the Office of the State's Attorneys
22 Appellate Prosecutor for use in training programs;

23 (4) \$10 to the State's Attorney; and

24 (5) any remainder of the fine to the law
25 enforcement agency that issued the citation for the
26 violation.

1 With respect to funds designated for the Illinois
2 State Police, the moneys shall be remitted by the circuit
3 court clerk to the State Treasurer within one month after
4 receipt for deposit into the State Police Operations
5 Assistance Fund. With respect to funds designated for the
6 Department of Natural Resources, the Department of Natural
7 Resources shall deposit the moneys into the Conservation
8 Police Operations Assistance Fund.

9 (b) More than 5, but not more than 20 plants, is guilty
10 of a Class 4 felony.

11 (c) More than 20, but not more than 50 plants, is
12 guilty of a Class 3 felony.

13 (d) More than 50, but not more than 200 plants, is
14 guilty of a Class 2 felony for which a fine not to exceed
15 \$100,000 may be imposed and for which liability for the
16 cost of conducting the investigation and eradicating such
17 plants may be assessed. Compensation for expenses incurred
18 in the enforcement of this provision shall be transmitted
19 to and deposited in the treasurer's office at the level of
20 government represented by the Illinois law enforcement
21 agency whose officers or employees conducted the
22 investigation or caused the arrest or arrests leading to
23 the prosecution, to be subsequently made available to that
24 law enforcement agency as expendable receipts for use in
25 the enforcement of laws regulating controlled substances
26 and cannabis. If such seizure was made by a combination of

1 law enforcement personnel representing different levels of
2 government, the court levying the assessment shall
3 determine the allocation of such assessment. The proceeds
4 of assessment awarded to the State treasury shall be
5 deposited in a special fund known as the Drug Traffic
6 Prevention Fund.

7 (e) More than 200 plants is guilty of a Class 1 felony
8 for which a fine not to exceed \$100,000 may be imposed and
9 for which liability for the cost of conducting the
10 investigation and eradicating such plants may be assessed.
11 Compensation for expenses incurred in the enforcement of
12 this provision shall be transmitted to and deposited in
13 the treasurer's office at the level of government
14 represented by the Illinois law enforcement agency whose
15 officers or employees conducted the investigation or
16 caused the arrest or arrests leading to the prosecution,
17 to be subsequently made available to that law enforcement
18 agency as expendable receipts for use in the enforcement
19 of laws regulating controlled substances and cannabis. If
20 such seizure was made by a combination of law enforcement
21 personnel representing different levels of government, the
22 court levying the assessment shall determine the
23 allocation of such assessment. The proceeds of assessment
24 awarded to the State treasury shall be deposited in a
25 special fund known as the Drug Traffic Prevention Fund.

26 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;

1 102-145, eff. 7-23-21; 102-538, eff. 8-20-21; 102-813, eff.
2 5-13-22.)

3 Section 50. The State Finance Act is amended by changing
4 Section 5.890 and adding Section 5.1015 as follows:

5 (30 ILCS 105/5.890)

6 Sec. 5.890. The ~~Industrial~~ Hemp Regulatory Fund.

7 (Source: P.A. 100-1091, eff. 8-26-18; 101-81, eff. 7-12-19.)

8 (30 ILCS 105/5.1015 new)

9 Sec. 5.1015. The Hemp Social Equity Fund.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.

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2		Statutes amended in order of appearance
3	35 ILCS 105/9	from Ch. 120, par. 439.9
4	35 ILCS 110/9	from Ch. 120, par. 439.39
5	35 ILCS 115/9	from Ch. 120, par. 439.109
6	35 ILCS 120/3	from Ch. 120, par. 442
7	410 ILCS 705/1-10	
8	410 ILCS 705/10-10	
9	505 ILCS 89/1	
10	505 ILCS 89/3 new	
11	505 ILCS 89/5	
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13	505 ILCS 89/7 new	
14	505 ILCS 89/10.5 new	
15	505 ILCS 89/10.10 new	
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17	505 ILCS 89/10.20 new	
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21	505 ILCS 89/10.40 new	
22	505 ILCS 89/10.45 new	
23	505 ILCS 89/10.50 new	
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25	505 ILCS 89/10.60 new	

- 1 505 ILCS 89/10.65 new
- 2 505 ILCS 89/10.70 new
- 3 505 ILCS 89/10.75 new
- 4 505 ILCS 89/10.80 new
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- 6 505 ILCS 89/10.90 new
- 7 505 ILCS 89/10.95 new
- 8 505 ILCS 89/10.100 new
- 9 505 ILCS 89/11 new
- 10 505 ILCS 89/11.5 new
- 11 505 ILCS 89/11.10 new
- 12 505 ILCS 89/11.15 new
- 13 505 ILCS 89/11.20 new
- 14 505 ILCS 89/12 new
- 15 505 ILCS 89/13 new
- 16 505 ILCS 89/15
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- 23 505 ILCS 89/20
- 24 505 ILCS 89/28 new
- 25 505 ILCS 89/30 new
- 26 505 ILCS 89/800 new

- 1 505 ILCS 89/10 rep.
- 2 505 ILCS 100/2 from Ch. 5, par. 952
- 3 720 ILCS 550/4 from Ch. 56 1/2, par. 704
- 4 720 ILCS 550/5 from Ch. 56 1/2, par. 705
- 5 720 ILCS 550/5.1 from Ch. 56 1/2, par. 705.1
- 6 720 ILCS 550/8 from Ch. 56 1/2, par. 708
- 7 30 ILCS 105/5.890
- 8 30 ILCS 105/5.1015 new