



## 103RD GENERAL ASSEMBLY

### State of Illinois

### 2023 and 2024

#### HB5447

Introduced 2/9/2024, by Rep. Abdelnasser Rashid

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
35 ILCS 105/3-6	
35 ILCS 105/3-10	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 120/2-8	
35 ILCS 120/2-10	
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act and the Retailers' Occupation Tax Act. Creates a sales tax holiday period for school supplies each year during the 10-day period that begins on the first Monday in August. Effective immediately.

LRB103 33556 HLH 63368 b

1 AN ACT concerning revenue.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 Sec. 6z-20. County and Mass Transit District Fund. Of the  
9 money received from the 6.25% general rate (and, beginning  
10 July 1, 2000 and through December 31, 2000, the 1.25% rate on  
11 motor fuel and gasohol, and during the sales tax holiday  
12 period, as defined in Section 3-6 of the Use Tax Act and  
13 Section 2-8 of the Retailers' Occupation Tax Act ~~beginning on~~  
14 ~~August 6, 2010 through August 15, 2010, and beginning again on~~  
15 ~~August 5, 2022 through August 14, 2022,~~ the 1.25% rate on sales  
16 tax holiday items) on sales subject to taxation under the  
17 Retailers' Occupation Tax Act and Service Occupation Tax Act  
18 and paid into the County and Mass Transit District Fund,  
19 distribution to the Regional Transportation Authority tax  
20 fund, created pursuant to Section 4.03 of the Regional  
21 Transportation Authority Act, for deposit therein shall be  
22 made based upon the retail sales occurring in a county having  
23 more than 3,000,000 inhabitants. The remainder shall be  
24 distributed to each county having 3,000,000 or fewer  
25 inhabitants based upon the retail sales occurring in each such

1 county.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

10 (35 ILCS 105/3-6)

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

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

20 (1) Clothing items that each have a retail selling  
21 price of less than \$125.

22 "Clothing" means, unless otherwise specified in this  
23 Section, all human wearing apparel suitable for general  
24 use. "Clothing" does not include clothing accessories,

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

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

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

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

1 mouth guards; roller and ice skates; shin guards; shoulder  
2 pads; ski boots; waders; and wetsuits and fins.

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

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

26 "School art supply" means an item commonly used by a

1 student in a course of study for artwork and includes only  
2 the following items: clay and glazes; acrylic, tempera,  
3 and oil paint; paintbrushes for artwork; sketch and  
4 drawing pads; and watercolors.

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

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

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

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

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

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

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

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



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

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

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

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

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

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

4 (6) (Blank).

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

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

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

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

- 17 (1) from August 6, 2010 through August 15, 2010;  
18 (2) from August 5, 2022 through August 14, 2022; and  
19 (3) in 2024 and each year thereafter, the 10-day  
20 period that begins on the first Monday in August.

21 (c) The Department may implement the provisions of this  
22 Section through the use of emergency rules, along with  
23 permanent rules filed concurrently with such emergency rules,  
24 in accordance with the provisions of Section 5-45 of the  
25 Illinois Administrative Procedure Act. For purposes of the  
26 Illinois Administrative Procedure Act, the adoption of rules

1 to implement the provisions of this Section shall be deemed an  
2 emergency and necessary for the public interest, safety, and  
3 welfare.

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

5 (35 ILCS 105/3-10)

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

1 purchases of property of like kind and character in Illinois.

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

6 During the sales tax holiday period, as defined in Section  
7 3-6, Beginning on August 6, 2010 through August 15, 2010, and  
8 beginning again on August 5, 2022 through August 14, 2022,  
9 with respect to sales tax holiday items described ~~as defined~~  
10 in Section 3-6 ~~of this Act~~, the tax is imposed at the rate of  
11 1.25%.

12 With respect to gasohol, the tax imposed by this Act  
13 applies to (i) 70% of the proceeds of sales made on or after  
14 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
15 proceeds of sales made on or after July 1, 2003 and on or  
16 before July 1, 2017, (iii) 100% of the proceeds of sales made  
17 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of  
18 the proceeds of sales made on or after January 1, 2024 and on  
19 or before December 31, 2028, and (v) 100% of the proceeds of  
20 sales made after December 31, 2028. If, at any time, however,  
21 the tax under this Act on sales of gasohol is imposed at the  
22 rate of 1.25%, then the tax imposed by this Act applies to 100%  
23 of the proceeds of sales of gasohol made during that time.

24 With respect to mid-range ethanol blends, the tax imposed  
25 by this Act applies to (i) 80% of the proceeds of sales made on  
26 or after January 1, 2024 and on or before December 31, 2028 and

1 (ii) 100% of the proceeds of sales made thereafter. If, at any  
2 time, however, the tax under this Act on sales of mid-range  
3 ethanol blends is imposed at the rate of 1.25%, then the tax  
4 imposed by this Act applies to 100% of the proceeds of sales of  
5 mid-range ethanol blends made during that time.

6 With respect to majority blended ethanol fuel, the tax  
7 imposed by this Act does not apply to the proceeds of sales  
8 made on or after July 1, 2003 and on or before December 31,  
9 2028 but applies to 100% of the proceeds of sales made  
10 thereafter.

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

25 With respect to biodiesel and biodiesel blends with more  
26 than 10% but no more than 99% biodiesel, the tax imposed by

1 this Act does not apply to the proceeds of sales made on or  
2 after July 1, 2003 and on or before December 31, 2023. On and  
3 after January 1, 2024 and on or before December 31, 2030, the  
4 taxation of biodiesel, renewable diesel, and biodiesel blends  
5 shall be as provided in Section 3-5.1.

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

18 With respect to prescription and nonprescription  
19 medicines, drugs, medical appliances, products classified as  
20 Class III medical devices by the United States Food and Drug  
21 Administration that are used for cancer treatment pursuant to  
22 a prescription, as well as any accessories and components  
23 related to those devices, modifications to a motor vehicle for  
24 the purpose of rendering it usable by a person with a  
25 disability, and insulin, blood sugar testing materials,  
26 syringes, and needles used by human diabetics, the tax is

1 imposed at the rate of 1%. For the purposes of this Section,  
2 until September 1, 2009: the term "soft drinks" means any  
3 complete, finished, ready-to-use, non-alcoholic drink, whether  
4 carbonated or not, including, but not limited to, soda water,  
5 cola, fruit juice, vegetable juice, carbonated water, and all  
6 other preparations commonly known as soft drinks of whatever  
7 kind or description that are contained in any closed or sealed  
8 bottle, can, carton, or container, regardless of size; but  
9 "soft drinks" does not include coffee, tea, non-carbonated  
10 water, infant formula, milk or milk products as defined in the  
11 Grade A Pasteurized Milk and Milk Products Act, or drinks  
12 containing 50% or more natural fruit or vegetable juice.

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

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



1 off the premises where it is sold" includes all food sold  
2 through a vending machine, except soft drinks, candy, and food  
3 products that are dispensed hot from a vending machine,  
4 regardless of the location of the vending machine.

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

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

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

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

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

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

22 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
23 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section  
24 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.  
25 4-19-22; 103-9, eff. 6-7-23; 103-154 eff. 6-30-23.)

1 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

2 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
3 and trailers that are required to be registered with an agency  
4 of this State, each retailer required or authorized to collect  
5 the tax imposed by this Act shall pay to the Department the  
6 amount of such tax (except as otherwise provided) at the time  
7 when he is required to file his return for the period during  
8 which such tax was collected, less a discount of 2.1% prior to  
9 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
10 per calendar year, whichever is greater, which is allowed to  
11 reimburse the retailer for expenses incurred in collecting the  
12 tax, keeping records, preparing and filing returns, remitting  
13 the tax and supplying data to the Department on request. When  
14 determining the discount allowed under this Section, retailers  
15 shall include the amount of tax that would have been due at the  
16 6.25% rate but for the 1.25% rate imposed on sales tax holiday  
17 items under Public Act 102-700 or this amendatory Act of the  
18 103rd General Assembly ~~this amendatory Act of the 102nd~~  
19 ~~General Assembly~~. The discount under this Section is not  
20 allowed for the 1.25% portion of taxes paid on aviation fuel  
21 that is subject to the revenue use requirements of 49 U.S.C.  
22 47107(b) and 49 U.S.C. 47133. When determining the discount  
23 allowed under this Section, retailers shall include the amount  
24 of tax that would have been due at the 1% rate but for the 0%  
25 rate imposed under Public Act 102-700 ~~this amendatory Act of~~  
26 ~~the 102nd General Assembly~~. In the case of retailers who

1 report and pay the tax on a transaction by transaction basis,  
2 as provided in this Section, such discount shall be taken with  
3 each such tax remittance instead of when such retailer files  
4 his periodic return. The discount allowed under this Section  
5 is allowed only for returns that are filed in the manner  
6 required by this Act. The Department may disallow the discount  
7 for retailers whose certificate of registration is revoked at  
8 the time the return is filed, but only if the Department's  
9 decision to revoke the certificate of registration has become  
10 final. A retailer need not remit that part of any tax collected  
11 by him to the extent that he is required to remit and does  
12 remit the tax imposed by the Retailers' Occupation Tax Act,  
13 with respect to the sale of the same property.

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

24 Except as provided in this Section, on or before the  
25 twentieth day of each calendar month, such retailer shall file  
26 a return for the preceding calendar month. Such return shall

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

20 On and after January 1, 2018, except for returns required  
21 to be filed prior to January 1, 2023 for motor vehicles,  
22 watercraft, aircraft, and trailers that are required to be  
23 registered with an agency of this State, with respect to  
24 retailers whose annual gross receipts average \$20,000 or more,  
25 all returns required to be filed pursuant to this Act shall be  
26 filed electronically. On and after January 1, 2023, with

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

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

17 1. The name of the seller;

18 2. The address of the principal place of business from  
19 which he engages in the business of selling tangible  
20 personal property at retail in this State;

21 3. The total amount of taxable receipts received by  
22 him during the preceding calendar month from sales of  
23 tangible personal property by him during such preceding  
24 calendar month, including receipts from charge and time  
25 sales, but less all deductions allowed by law;

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

1 Act;

2 5. The amount of tax due;

3 5-5. The signature of the taxpayer; and

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

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

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

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

1 Department.

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



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

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

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

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

16           Before October 1, 2000, if the taxpayer's average monthly  
17 tax liability to the Department under this Act, the Retailers'  
18 Occupation Tax Act, the Service Occupation Tax Act, the  
19 Service Use Tax Act was \$10,000 or more during the preceding 4  
20 complete calendar quarters, he shall file a return with the  
21 Department each month by the 20th day of the month next  
22 following the month during which such tax liability is  
23 incurred and shall make payments to the Department on or  
24 before the 7th, 15th, 22nd and last day of the month during  
25 which such liability is incurred. On and after October 1,  
26 2000, if the taxpayer's average monthly tax liability to the

1 Department under this Act, the Retailers' Occupation Tax Act,  
2 the Service Occupation Tax Act, and the Service Use Tax Act was  
3 \$20,000 or more during the preceding 4 complete calendar  
4 quarters, he shall file a return with the Department each  
5 month by the 20th day of the month next following the month  
6 during which such tax liability is incurred and shall make  
7 payment to the Department on or before the 7th, 15th, 22nd and  
8 last day of the month during which such liability is incurred.  
9 If the month during which such tax liability is incurred began  
10 prior to January 1, 1985, each payment shall be in an amount  
11 equal to 1/4 of the taxpayer's actual liability for the month  
12 or an amount set by the Department not to exceed 1/4 of the  
13 average monthly liability of the taxpayer to the Department  
14 for the preceding 4 complete calendar quarters (excluding the  
15 month of highest liability and the month of lowest liability  
16 in such 4 quarter period). If the month during which such tax  
17 liability is incurred begins on or after January 1, 1985, and  
18 prior to January 1, 1987, each payment shall be in an amount  
19 equal to 22.5% of the taxpayer's actual liability for the  
20 month or 27.5% of the taxpayer's liability for the same  
21 calendar month of the preceding year. If the month during  
22 which such tax liability is incurred begins on or after  
23 January 1, 1987, and prior to January 1, 1988, each payment  
24 shall be in an amount equal to 22.5% of the taxpayer's actual  
25 liability for the month or 26.25% of the taxpayer's liability  
26 for the same calendar month of the preceding year. If the month

1 during which such tax liability is incurred begins on or after  
2 January 1, 1988, and prior to January 1, 1989, or begins on or  
3 after January 1, 1996, each payment shall be in an amount equal  
4 to 22.5% of the taxpayer's actual liability for the month or  
5 25% of the taxpayer's liability for the same calendar month of  
6 the preceding year. If the month during which such tax  
7 liability is incurred begins on or after January 1, 1989, and  
8 prior to January 1, 1996, each payment shall be in an amount  
9 equal to 22.5% of the taxpayer's actual liability for the  
10 month or 25% of the taxpayer's liability for the same calendar  
11 month of the preceding year or 100% of the taxpayer's actual  
12 liability for the quarter monthly reporting period. The amount  
13 of such quarter monthly payments shall be credited against the  
14 final tax liability of the taxpayer's return for that month.  
15 Before October 1, 2000, once applicable, the requirement of  
16 the making of quarter monthly payments to the Department shall  
17 continue until such taxpayer's average monthly liability to  
18 the Department during the preceding 4 complete calendar  
19 quarters (excluding the month of highest liability and the  
20 month of lowest liability) is less than \$9,000, or until such  
21 taxpayer's average monthly liability to the Department as  
22 computed for each calendar quarter of the 4 preceding complete  
23 calendar quarter period is less than \$10,000. However, if a  
24 taxpayer can show the Department that a substantial change in  
25 the taxpayer's business has occurred which causes the taxpayer  
26 to anticipate that his average monthly tax liability for the

1 reasonably foreseeable future will fall below the \$10,000  
2 threshold stated above, then such taxpayer may petition the  
3 Department for change in such taxpayer's reporting status. On  
4 and after October 1, 2000, once applicable, the requirement of  
5 the making of quarter monthly payments to the Department shall  
6 continue until such taxpayer's average monthly liability to  
7 the Department during the preceding 4 complete calendar  
8 quarters (excluding the month of highest liability and the  
9 month of lowest liability) is less than \$19,000 or until such  
10 taxpayer's average monthly liability to the Department as  
11 computed for each calendar quarter of the 4 preceding complete  
12 calendar quarter period is less than \$20,000. However, if a  
13 taxpayer can show the Department that a substantial change in  
14 the taxpayer's business has occurred which causes the taxpayer  
15 to anticipate that his average monthly tax liability for the  
16 reasonably foreseeable future will fall below the \$20,000  
17 threshold stated above, then such taxpayer may petition the  
18 Department for a change in such taxpayer's reporting status.  
19 The Department shall change such taxpayer's reporting status  
20 unless it finds that such change is seasonal in nature and not  
21 likely to be long term. Quarter monthly payment status shall  
22 be determined under this paragraph as if the rate reduction to  
23 1.25% in Public Act 102-700 ~~this amendatory Act of the 102nd~~  
24 ~~General Assembly~~ on sales tax holiday items had not occurred.  
25 Quarter monthly payment status shall be determined under this  
26 paragraph as if the rate reduction to 1.25% in this amendatory

1 Act of the 103rd General Assembly on sales tax holiday items  
2 had not occurred. For quarter monthly payments due on or after  
3 July 1, 2023 and through June 30, 2024, "25% of the taxpayer's  
4 liability for the same calendar month of the preceding year"  
5 shall be determined as if the rate reduction to 1.25% in Public  
6 Act 102-700 ~~this amendatory Act of the 102nd General Assembly~~  
7 on sales tax holiday items had not occurred. For quarter  
8 monthly payments due on or after July 1, 2024 and through June  
9 30, 2025, "25% of the taxpayer's liability for the same  
10 calendar month of the preceding year" shall be determined as  
11 if the rate reduction to 1.25% in this amendatory Act of the  
12 103rd General Assembly on sales tax holiday items had not  
13 occurred. Quarter monthly payment status shall be determined  
14 under this paragraph as if the rate reduction to 0% in Public  
15 Act 102-700 ~~this amendatory Act of the 102nd General Assembly~~  
16 on food for human consumption that is to be consumed off the  
17 premises where it is sold (other than alcoholic beverages,  
18 food consisting of or infused with adult use cannabis, soft  
19 drinks, and food that has been prepared for immediate  
20 consumption) had not occurred. For quarter monthly payments  
21 due under this paragraph on or after July 1, 2023 and through  
22 June 30, 2024, "25% of the taxpayer's liability for the same  
23 calendar month of the preceding year" shall be determined as  
24 if the rate reduction to 0% in Public Act 102-700 ~~this~~  
25 ~~amendatory Act of the 102nd General Assembly~~ had not occurred.  
26 If any such quarter monthly payment is not paid at the time or

1 in the amount required by this Section, then the taxpayer  
2 shall be liable for penalties and interest on the difference  
3 between the minimum amount due and the amount of such quarter  
4 monthly payment actually and timely paid, except insofar as  
5 the taxpayer has previously made payments for that month to  
6 the Department in excess of the minimum payments previously  
7 due as provided in this Section. The Department shall make  
8 reasonable rules and regulations to govern the quarter monthly  
9 payment amount and quarter monthly payment dates for taxpayers  
10 who file on other than a calendar monthly basis.

11 If any such payment provided for in this Section exceeds  
12 the taxpayer's liabilities under this Act, the Retailers'  
13 Occupation Tax Act, the Service Occupation Tax Act and the  
14 Service Use Tax Act, as shown by an original monthly return,  
15 the Department shall issue to the taxpayer a credit memorandum  
16 no later than 30 days after the date of payment, which  
17 memorandum may be submitted by the taxpayer to the Department  
18 in payment of tax liability subsequently to be remitted by the  
19 taxpayer to the Department or be assigned by the taxpayer to a  
20 similar taxpayer under this Act, the Retailers' Occupation Tax  
21 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
22 in accordance with reasonable rules and regulations to be  
23 prescribed by the Department, except that if such excess  
24 payment is shown on an original monthly return and is made  
25 after December 31, 1986, no credit memorandum shall be issued,  
26 unless requested by the taxpayer. If no such request is made,

1 the taxpayer may credit such excess payment against tax  
2 liability subsequently to be remitted by the taxpayer to the  
3 Department under this Act, the Retailers' Occupation Tax Act,  
4 the Service Occupation Tax Act or the Service Use Tax Act, in  
5 accordance with reasonable rules and regulations prescribed by  
6 the Department. If the Department subsequently determines that  
7 all or any part of the credit taken was not actually due to the  
8 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall  
9 be reduced by 2.1% or 1.75% of the difference between the  
10 credit taken and that actually due, and the taxpayer shall be  
11 liable for penalties and interest on such difference.

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

23 If the retailer is otherwise required to file a monthly or  
24 quarterly return and if the retailer's average monthly tax  
25 liability to the Department does not exceed \$50, the  
26 Department may authorize his returns to be filed on an annual

1 basis, with the return for a given year being due by January 20  
2 of the following year.

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

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

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



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

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

26 The transaction reporting return in the case of motor

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

21 The transaction reporting return in the case of watercraft  
22 and aircraft must show the name and address of the seller; the  
23 name and address of the purchaser; the amount of the selling  
24 price including the amount allowed by the retailer for  
25 traded-in property, if any; the amount allowed by the retailer  
26 for the traded-in tangible personal property, if any, to the

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

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

24 With each such transaction reporting return, the retailer  
25 shall remit the proper amount of tax due (or shall submit  
26 satisfactory evidence that the sale is not taxable if that is

1 the case), to the Department or its agents, whereupon the  
2 Department shall issue, in the purchaser's name, a tax receipt  
3 (or a certificate of exemption if the Department is satisfied  
4 that the particular sale is tax exempt) which such purchaser  
5 may submit to the agency with which, or State officer with  
6 whom, he must title or register the tangible personal property  
7 that is involved (if titling or registration is required) in  
8 support of such purchaser's application for an Illinois  
9 certificate or other evidence of title or registration to such  
10 tangible personal property.

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

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

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

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

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

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

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

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

25 Beginning January 1, 1990, each month the Department shall  
26 pay into the County and Mass Transit District Fund 4% of the

1 net revenue realized for the preceding month from the 6.25%  
2 general rate on the selling price of tangible personal  
3 property which is purchased outside Illinois at retail from a  
4 retailer and which is titled or registered by an agency of this  
5 State's government.

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

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

1 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
2 U.S.C. 47133 are binding on the State.

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

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

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

26 Beginning July 1, 2011, each month the Department shall



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

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

24 Beginning July 1, 2015, of the remainder of the moneys  
25 received by the Department under this Act, the Service Use Tax  
26 Act, the Service Occupation Tax Act, and the Retailers'

1 Occupation Tax Act, each month the Department shall deposit  
2 \$500,000 into the State Crime Laboratory Fund.

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

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

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

17 Subject to payment of amounts into the Build Illinois Fund  
18 as provided in the preceding paragraph or in any amendment  
19 thereto hereafter enacted, the following specified monthly  
20 installment of the amount requested in the certificate of the  
21 Chairman of the Metropolitan Pier and Exposition Authority  
22 provided under Section 8.25f of the State Finance Act, but not  
23 in excess of the sums designated as "Total Deposit", shall be  
24 deposited in the aggregate from collections under Section 9 of  
25 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
26 9 of the Service Occupation Tax Act, and Section 3 of the

1 Retailers' Occupation Tax Act into the McCormick Place  
2 Expansion Project Fund in the specified fiscal years.

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

1	2016	189,000,000
2	2017	199,000,000
3	2018	210,000,000
4	2019	221,000,000
5	2020	233,000,000
6	2021	300,000,000
7	2022	300,000,000
8	2023	300,000,000
9	2024	300,000,000
10	2025	300,000,000
11	2026	300,000,000
12	2027	375,000,000
13	2028	375,000,000
14	2029	375,000,000
15	2030	375,000,000
16	2031	375,000,000
17	2032	375,000,000
18	2033	375,000,000
19	2034	375,000,000
20	2035	375,000,000
21	2036	450,000,000

22                   and  
23                    each fiscal year  
24                   thereafter that bonds  
25                   are outstanding under  
26                   Section 13.2 of the

1           Metropolitan Pier and  
2           Exposition Authority Act,  
3           but not after fiscal year 2060.

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

17          Subject to payment of amounts into the Capital Projects  
18          Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
19          and the McCormick Place Expansion Project Fund pursuant to the  
20          preceding paragraphs or in any amendments thereto hereafter  
21          enacted, for aviation fuel sold on or after December 1, 2019,  
22          the Department shall each month deposit into the Aviation Fuel  
23          Sales Tax Refund Fund an amount estimated by the Department to  
24          be required for refunds of the 80% portion of the tax on  
25          aviation fuel under this Act. The Department shall only  
26          deposit moneys into the Aviation Fuel Sales Tax Refund Fund

1 under this paragraph for so long as the revenue use  
2 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
3 binding on the State.

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

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

25 Subject to payment of amounts into the Build Illinois  
26 Fund, the McCormick Place Expansion Project Fund, the Illinois



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

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

26 Subject to successful execution and delivery of a

1 public-private agreement between the public agency and private  
 2 entity and completion of the civic build, beginning on July 1,  
 3 2023, of the remainder of the moneys received by the  
 4 Department under the Use Tax Act, the Service Use Tax Act, the  
 5 Service Occupation Tax Act, and this Act, the Department shall  
 6 deposit the following specified deposits in the aggregate from  
 7 collections under the Use Tax Act, the Service Use Tax Act, the  
 8 Service Occupation Tax Act, and the Retailers' Occupation Tax  
 9 Act, as required under Section 8.25g of the State Finance Act  
 10 for distribution consistent with the Public-Private  
 11 Partnership for Civic and Transit Infrastructure Project Act.  
 12 The moneys received by the Department pursuant to this Act and  
 13 required to be deposited into the Civic and Transit  
 14 Infrastructure Fund are subject to the pledge, claim, and  
 15 charge set forth in Section 25-55 of the Public-Private  
 16 Partnership for Civic and Transit Infrastructure Project Act.  
 17 As used in this paragraph, "civic build", "private entity",  
 18 "public-private agreement", and "public agency" have the  
 19 meanings provided in Section 25-10 of the Public-Private  
 20 Partnership for Civic and Transit Infrastructure Project Act.

21	Fiscal Year.....	Total Deposit
22	2024 .....	\$200,000,000
23	2025 .....	\$206,000,000
24	2026 .....	\$212,200,000
25	2027 .....	\$218,500,000
26	2028 .....	\$225,100,000

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

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

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

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

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

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

8 (Source: P.A. 101-10, Article 15, Section 15-10, eff. 6-5-19;  
9 101-10, Article 25, Section 25-105, eff. 6-5-19; 101-27, eff.  
10 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;  
11 101-636, eff. 6-10-20; 102-700, Article 60, Section 60-15,  
12 eff. 4-19-22; 102-700, Article 65, Section 65-5, eff. 4-19-22;  
13 102-1019, eff. 1-1-23; revised 12-13-22.)

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

16 (35 ILCS 120/2-8)

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

18 (a) Any tangible personal property described in this  
19 subsection is a sales tax holiday item and qualifies for the  
20 1.25% reduced rate of tax for the sales tax holiday period  
21 ~~period set forth in Section 2-10 of this Act (hereinafter~~  
22 ~~referred to as the Sales Tax Holiday Period)~~. The reduced rate  
23 on these items shall be administered under the provisions of  
24 subsection (b) of this Section. The following items are

1 subject to the reduced rate:

2 (1) Clothing items that each have a retail selling  
3 price of less than \$125.

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

17 "Clothing accessories" means, but is not limited to:  
18 briefcases; cosmetics; hair notions, including, but not  
19 limited to barrettes, hair bows, and hair nets; handbags;  
20 handkerchiefs; jewelry; non-prescription sunglasses;  
21 umbrellas; wallets; watches; and wigs and hair pieces.

22 "Protective equipment" means, but is not limited to:  
23 breathing masks; clean room apparel and equipment; ear and  
24 hearing protectors; face shields; hard hats; helmets;  
25 paint or dust respirators; protective gloves; safety  
26 glasses and goggles; safety belts; tool belts; and

1 welder's gloves and masks.

2 "Sport or recreational equipment" means, but is not  
3 limited to: ballet and tap shoes; cleated or spiked  
4 athletic shoes; gloves, including, but not limited to,  
5 baseball, bowling, boxing, hockey, and golf gloves;  
6 goggles; hand and elbow guards; life preservers and vests;  
7 mouth guards; roller and ice skates; shin guards; shoulder  
8 pads; ski boots; waders; and wetsuits and fins.

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

19 "School supplies" includes, but is not limited to:  
20 binders; book bags; calculators; cellophane tape;  
21 blackboard chalk; compasses; composition books; crayons;  
22 erasers; expandable, pocket, plastic, and manila folders;  
23 glue, paste, and paste sticks; highlighters; index cards;  
24 index card boxes; legal pads; lunch boxes; markers;  
25 notebooks; paper, including loose leaf ruled notebook  
26 paper, copy paper, graph paper, tracing paper, manila



1 paper, colored paper, poster board, and construction  
2 paper; pencils; pencil leads; pens; ink and ink refills  
3 for pens; pencil boxes and other school supply boxes;  
4 pencil sharpeners; protractors; rulers; scissors; and  
5 writing tablets.

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

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

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

24 (b) Administration. Notwithstanding any other provision of  
25 this Act, the reduced rate of tax under Section 3-10 of this  
26 Act for clothing and school supplies shall be administered by

1 the Department under the provisions of this subsection (b).

2 (1) Bundled sales. Items that qualify for the reduced  
3 rate of tax that are bundled together with items that do  
4 not qualify for the reduced rate of tax and that are sold  
5 for one itemized price will be subject to the reduced rate  
6 of tax only if the value of the items that qualify for the  
7 reduced rate of tax exceeds the value of the items that do  
8 not qualify for the reduced rate of tax.

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

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

24 (4) Rain checks. A rain check is a procedure that  
25 allows a customer to purchase an item at a certain price at  
26 a later time because the particular item was out of stock.

1 Eligible property that customers purchase during the sales  
2 tax holiday period ~~Sales Tax Holiday Period~~ with the use  
3 of a rain check will qualify for the reduced rate of tax  
4 regardless of when the rain check was issued. Issuance of  
5 a rain check during the sales tax holiday period ~~Sales Tax~~  
6 ~~Holiday Period~~ will not qualify eligible property for the  
7 reduced rate of tax if the property is actually purchased  
8 after the sales tax holiday period ~~Sales Tax Holiday~~  
9 ~~Period~~.

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

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

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

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

10 (6) (Blank).

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

1 is for immediate shipment notwithstanding that the  
2 shipment may be delayed because of a backlog of orders or  
3 because stock is currently unavailable to, or on back  
4 order by, the seller.

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

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

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

24 (2) from August 5, 2022 through August 14, 2022; and

25 (3) in 2024 and each year thereafter, the 10-day  
26 period that begins on the first Monday in August.

1 (c) The Department may implement the provisions of this  
2 Section through the use of emergency rules, along with  
3 permanent rules filed concurrently with such emergency rules,  
4 in accordance with the provisions of Section 5-45 of the  
5 Illinois Administrative Procedure Act. For purposes of the  
6 Illinois Administrative Procedure Act, the adoption of rules  
7 to implement the provisions of this Section shall be deemed an  
8 emergency and necessary for the public interest, safety, and  
9 welfare.

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

11 (35 ILCS 120/2-10)

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

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

20 During the sales tax holiday period, as defined in Section  
21 2-8, Beginning on August 6, 2010 through August 15, 2010, and  
22 beginning again on August 5, 2022 through August 14, 2022,  
23 with respect to sales tax holiday items described as defined  
24 in Section 2-8 ~~of this Act~~, the tax is imposed at the rate of  
25 1.25%.

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

16           With respect to gasohol, as defined in the Use Tax Act, the  
17 tax imposed by this Act applies to (i) 70% of the proceeds of  
18 sales made on or after January 1, 1990, and before July 1,  
19 2003, (ii) 80% of the proceeds of sales made on or after July  
20 1, 2003 and on or before July 1, 2017, (iii) 100% of the  
21 proceeds of sales made after July 1, 2017 and prior to January  
22 1, 2024, (iv) 90% of the proceeds of sales made on or after  
23 January 1, 2024 and on or before December 31, 2028, and (v)  
24 100% of the proceeds of sales made after December 31, 2028. If,  
25 at any time, however, the tax under this Act on sales of  
26 gasohol, as defined in the Use Tax Act, is imposed at the rate

1 of 1.25%, then the tax imposed by this Act applies to 100% of  
2 the proceeds of sales of gasohol made during that time.

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

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

17 With respect to biodiesel blends, as defined in the Use  
18 Tax Act, with no less than 1% and no more than 10% biodiesel,  
19 the tax imposed by this Act applies to (i) 80% of the proceeds  
20 of sales made on or after July 1, 2003 and on or before  
21 December 31, 2018 and (ii) 100% of the proceeds of sales made  
22 after December 31, 2018 and before January 1, 2024. On and  
23 after January 1, 2024 and on or before December 31, 2030, the  
24 taxation of biodiesel, renewable diesel, and biodiesel blends  
25 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
26 at any time, however, the tax under this Act on sales of



1 biodiesel blends, as defined in the Use Tax Act, with no less  
2 than 1% and no more than 10% biodiesel is imposed at the rate  
3 of 1.25%, then the tax imposed by this Act applies to 100% of  
4 the proceeds of sales of biodiesel blends with no less than 1%  
5 and no more than 10% biodiesel made during that time.

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

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

26 With respect to prescription and nonprescription

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

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

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

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

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

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

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

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

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

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

23 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
24 Section 20-20, eff. 4-19-22; 102-700, Article 60, Section  
25 60-30, eff. 4-19-22; 102-700, Article 65, Section 65-10, eff.  
26 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23.)

1 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

7 1. The name of the seller;

8 2. His residence address and the address of his  
9 principal place of business and the address of the  
10 principal place of business (if that is a different  
11 address) from which he engages in the business of selling  
12 tangible personal property at retail in this State;

13 3. Total amount of receipts received by him during the  
14 preceding calendar month or quarter, as the case may be,  
15 from sales of tangible personal property, and from  
16 services furnished, by him during such preceding calendar  
17 month or quarter;

18 4. Total amount received by him during the preceding  
19 calendar month or quarter on charge and time sales of  
20 tangible personal property, and from services furnished,  
21 by him prior to the month or quarter for which the return  
22 is filed;

23 5. Deductions allowed by law;

24 6. Gross receipts which were received by him during  
25 the preceding calendar month or quarter and upon the basis

1 of which the tax is imposed, including gross receipts on  
2 food for human consumption that is to be consumed off the  
3 premises where it is sold (other than alcoholic beverages,  
4 food consisting of or infused with adult use cannabis,  
5 soft drinks, and food that has been prepared for immediate  
6 consumption) which were received during the preceding  
7 calendar month or quarter and upon which tax would have  
8 been due but for the 0% rate imposed under Public Act  
9 102-700 ~~this amendatory Act of the 102nd General Assembly;~~

10 7. The amount of credit provided in Section 2d of this  
11 Act;

12 8. The amount of tax due, including the amount of tax  
13 that would have been due on food for human consumption  
14 that is to be consumed off the premises where it is sold  
15 (other than alcoholic beverages, food consisting of or  
16 infused with adult use cannabis, soft drinks, and food  
17 that has been prepared for immediate consumption) but for  
18 the 0% rate imposed under Public Act 102-700 ~~this~~  
19 ~~amendatory Act of the 102nd General Assembly;~~

20 9. The signature of the taxpayer; and

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

23 On and after January 1, 2018, except for returns required  
24 to be filed prior to January 1, 2023 for motor vehicles,  
25 watercraft, aircraft, and trailers that are required to be  
26 registered with an agency of this State, with respect to

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

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

17 Each return shall be accompanied by the statement of  
18 prepaid tax issued pursuant to Section 2e for which credit is  
19 claimed.

20 Prior to October 1, 2003, and on and after September 1,  
21 2004 a retailer may accept a Manufacturer's Purchase Credit  
22 certification from a purchaser in satisfaction of Use Tax as  
23 provided in Section 3-85 of the Use Tax Act if the purchaser  
24 provides the appropriate documentation as required by Section  
25 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
26 certification, accepted by a retailer prior to October 1, 2003

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

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

22 1. The name of the seller;

23 2. The address of the principal place of business from  
24 which he engages in the business of selling tangible  
25 personal property at retail in this State;

26 3. The total amount of taxable receipts received by



1           him during the preceding calendar month from sales of  
2           tangible personal property by him during such preceding  
3           calendar month, including receipts from charge and time  
4           sales, but less all deductions allowed by law;

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

7           5. The amount of tax due; and

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

10          Every person engaged in the business of selling aviation  
11          fuel at retail in this State during the preceding calendar  
12          month shall, instead of reporting and paying tax as otherwise  
13          required by this Section, report and pay such tax on a separate  
14          aviation fuel tax return. The requirements related to the  
15          return shall be as otherwise provided in this Section.  
16          Notwithstanding any other provisions of this Act to the  
17          contrary, retailers selling aviation fuel shall file all  
18          aviation fuel tax returns and shall make all aviation fuel tax  
19          payments by electronic means in the manner and form required  
20          by the Department. For purposes of this Section, "aviation  
21          fuel" means jet fuel and aviation gasoline.

22          Beginning on October 1, 2003, any person who is not a  
23          licensed distributor, importing distributor, or manufacturer,  
24          as defined in the Liquor Control Act of 1934, but is engaged in  
25          the business of selling, at retail, alcoholic liquor shall  
26          file a statement with the Department of Revenue, in a format

1 and at a time prescribed by the Department, showing the total  
2 amount paid for alcoholic liquor purchased during the  
3 preceding month and such other information as is reasonably  
4 required by the Department. The Department may adopt rules to  
5 require that this statement be filed in an electronic or  
6 telephonic format. Such rules may provide for exceptions from  
7 the filing requirements of this paragraph. For the purposes of  
8 this paragraph, the term "alcoholic liquor" shall have the  
9 meaning prescribed in the Liquor Control Act of 1934.

10 Beginning on October 1, 2003, every distributor, importing  
11 distributor, and manufacturer of alcoholic liquor as defined  
12 in the Liquor Control Act of 1934, shall file a statement with  
13 the Department of Revenue, no later than the 10th day of the  
14 month for the preceding month during which transactions  
15 occurred, by electronic means, showing the total amount of  
16 gross receipts from the sale of alcoholic liquor sold or  
17 distributed during the preceding month to purchasers;  
18 identifying the purchaser to whom it was sold or distributed;  
19 the purchaser's tax registration number; and such other  
20 information reasonably required by the Department. A  
21 distributor, importing distributor, or manufacturer of  
22 alcoholic liquor must personally deliver, mail, or provide by  
23 electronic means to each retailer listed on the monthly  
24 statement a report containing a cumulative total of that  
25 distributor's, importing distributor's, or manufacturer's  
26 total sales of alcoholic liquor to that retailer no later than

1 the 10th day of the month for the preceding month during which  
2 the transaction occurred. The distributor, importing  
3 distributor, or manufacturer shall notify the retailer as to  
4 the method by which the distributor, importing distributor, or  
5 manufacturer will provide the sales information. If the  
6 retailer is unable to receive the sales information by  
7 electronic means, the distributor, importing distributor, or  
8 manufacturer shall furnish the sales information by personal  
9 delivery or by mail. For purposes of this paragraph, the term  
10 "electronic means" includes, but is not limited to, the use of  
11 a secure Internet website, e-mail, or facsimile.

12 If a total amount of less than \$1 is payable, refundable or  
13 creditable, such amount shall be disregarded if it is less  
14 than 50 cents and shall be increased to \$1 if it is 50 cents or  
15 more.

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

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

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

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

25 Any taxpayer not required to make payments by electronic  
26 funds transfer may make payments by electronic funds transfer

1 with the permission of the Department.

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

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

9 Any amount which is required to be shown or reported on any  
10 return or other document under this Act shall, if such amount  
11 is not a whole-dollar amount, be increased to the nearest  
12 whole-dollar amount in any case where the fractional part of a  
13 dollar is 50 cents or more, and decreased to the nearest  
14 whole-dollar amount where the fractional part of a dollar is  
15 less than 50 cents.

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 year  
21 being due by April 20 of such year; with the return for April,  
22 May and June of a given year being due by July 20 of such year;  
23 with the return for July, August and September of a given year  
24 being due by October 20 of such year, and with the return for  
25 October, November and December of a given year being due by  
26 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 with 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           Where the same person has more than one business  
18 registered with the Department under separate registrations  
19 under this Act, such person may not file each return that is  
20 due as a single return covering all such registered  
21 businesses, but shall file separate returns for each such  
22 registered business.

23           In addition, with respect to motor vehicles, watercraft,  
24 aircraft, and trailers that are required to be registered with  
25 an agency of this State, except as otherwise provided in this  
26 Section, every retailer selling this kind of tangible personal

1 property shall file, with the Department, upon a form to be  
2 prescribed and supplied by the Department, a separate return  
3 for each such item of tangible personal property which the  
4 retailer sells, except that if, in the same transaction, (i) a  
5 retailer of aircraft, watercraft, motor vehicles or trailers  
6 transfers more than one aircraft, watercraft, motor vehicle or  
7 trailer to another aircraft, watercraft, motor vehicle  
8 retailer or trailer retailer for the purpose of resale or (ii)  
9 a retailer of aircraft, watercraft, motor vehicles, or  
10 trailers transfers more than one aircraft, watercraft, motor  
11 vehicle, or trailer to a purchaser for use as a qualifying  
12 rolling stock as provided in Section 2-5 of this Act, then that  
13 seller may report the transfer of all aircraft, watercraft,  
14 motor vehicles or trailers involved in that transaction to the  
15 Department on the same uniform invoice-transaction reporting  
16 return form. For purposes of this Section, "watercraft" means  
17 a Class 2, Class 3, or Class 4 watercraft as defined in Section  
18 3-2 of the Boat Registration and Safety Act, a personal  
19 watercraft, or any boat equipped with an inboard motor.

20 In addition, with respect to motor vehicles, watercraft,  
21 aircraft, and trailers that are required to be registered with  
22 an agency of this State, every person who is engaged in the  
23 business of leasing or renting such items and who, in  
24 connection with such business, sells any such item to a  
25 retailer for the purpose of resale is, notwithstanding any  
26 other provision of this Section to the contrary, authorized to

1 meet the return-filing requirement of this Act by reporting  
2 the transfer of all the aircraft, watercraft, motor vehicles,  
3 or trailers transferred for resale during a month to the  
4 Department on the same uniform invoice-transaction reporting  
5 return form on or before the 20th of the month following the  
6 month in which the transfer takes place. Notwithstanding any  
7 other provision of this Act to the contrary, all returns filed  
8 under this paragraph must be filed by electronic means in the  
9 manner and form as required by the Department.

10 Any retailer who sells only motor vehicles, watercraft,  
11 aircraft, or trailers that are required to be registered with  
12 an agency of this State, so that all retailers' occupation tax  
13 liability is required to be reported, and is reported, on such  
14 transaction reporting returns and who is not otherwise  
15 required to file monthly or quarterly returns, need not file  
16 monthly or quarterly returns. However, those retailers shall  
17 be required to file returns on an annual basis.

18 The transaction reporting return, in the case of motor  
19 vehicles or trailers that are required to be registered with  
20 an agency of this State, shall be the same document as the  
21 Uniform Invoice referred to in Section 5-402 of the Illinois  
22 Vehicle Code and must show the name and address of the seller;  
23 the name and address of the purchaser; the amount of the  
24 selling price including the amount allowed by the retailer for  
25 traded-in property, if any; the amount allowed by the retailer  
26 for the traded-in tangible personal property, if any, to the



1 extent to which Section 1 of this Act allows an exemption for  
2 the value of traded-in property; the balance payable after  
3 deducting such trade-in allowance from the total selling  
4 price; the amount of tax due from the retailer with respect to  
5 such transaction; the amount of tax collected from the  
6 purchaser by the retailer on such transaction (or satisfactory  
7 evidence that such tax is not due in that particular instance,  
8 if that is claimed to be the fact); the place and date of the  
9 sale; a sufficient identification of the property sold; such  
10 other information as is required in Section 5-402 of the  
11 Illinois Vehicle Code, and such other information as the  
12 Department may reasonably require.

13 The transaction reporting return in the case of watercraft  
14 or aircraft must show the name and address of the seller; the  
15 name and address of the purchaser; the amount of the selling  
16 price including the amount allowed by the retailer for  
17 traded-in property, if any; the amount allowed by the retailer  
18 for the traded-in tangible personal property, if any, to the  
19 extent to which Section 1 of this Act allows an exemption for  
20 the value of traded-in property; the balance payable after  
21 deducting such trade-in allowance from the total selling  
22 price; the amount of tax due from the retailer with respect to  
23 such transaction; the amount of tax collected from the  
24 purchaser by the retailer on such transaction (or satisfactory  
25 evidence that such tax is not due in that particular instance,  
26 if that is claimed to be the fact); the place and date of the

1 sale, a sufficient identification of the property sold, and  
2 such other information as the Department may reasonably  
3 require.

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

16 With each such transaction reporting return, the retailer  
17 shall remit the proper amount of tax due (or shall submit  
18 satisfactory evidence that the sale is not taxable if that is  
19 the case), to the Department or its agents, whereupon the  
20 Department shall issue, in the purchaser's name, a use tax  
21 receipt (or a certificate of exemption if the Department is  
22 satisfied that the particular sale is tax exempt) which such  
23 purchaser may submit to the agency with which, or State  
24 officer with whom, he must title or register the tangible  
25 personal property that is involved (if titling or registration  
26 is required) in support of such purchaser's application for an

1 Illinois certificate or other evidence of title or  
2 registration to such tangible personal property.

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

11 If the user who would otherwise pay tax to the retailer  
12 wants the transaction reporting return filed and the payment  
13 of the tax or proof of exemption made to the Department before  
14 the retailer is willing to take these actions and such user has  
15 not paid the tax to the retailer, such user may certify to the  
16 fact of such delay by the retailer and may (upon the Department  
17 being satisfied of the truth of such certification) transmit  
18 the information required by the transaction reporting return  
19 and the remittance for tax or proof of exemption directly to  
20 the Department and obtain his tax receipt or exemption  
21 determination, in which event the transaction reporting return  
22 and tax remittance (if a tax payment was required) shall be  
23 credited by the Department to the proper retailer's account  
24 with the Department, but without the 2.1% or 1.75% discount  
25 provided for in this Section being allowed. When the user pays  
26 the tax directly to the Department, he shall pay the tax in the

1 same amount and in the same form in which it would be remitted  
2 if the tax had been remitted to the Department by the retailer.

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

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

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

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

1 data to the Department on request. On and after January 1,  
2 2021, a certified service provider, as defined in the Leveling  
3 the Playing Field for Illinois Retail Act, filing the return  
4 under this Section on behalf of a remote retailer shall, at the  
5 time of such return, pay to the Department the amount of tax  
6 imposed by this Act less a discount of 1.75%. A remote retailer  
7 using a certified service provider to file a return on its  
8 behalf, as provided in the Leveling the Playing Field for  
9 Illinois Retail Act, is not eligible for the discount. When  
10 determining the discount allowed under this Section, retailers  
11 shall include the amount of tax that would have been due at the  
12 1% rate but for the 0% rate imposed under Public Act 102-700  
13 ~~this amendatory Act of the 102nd General Assembly~~. When  
14 determining the discount allowed under this Section, retailers  
15 shall include the amount of tax that would have been due at the  
16 6.25% rate but for the 1.25% rate imposed on sales tax holiday  
17 items under Public Act 102-700 or this amendatory Act of the  
18 103rd General Assembly ~~this amendatory Act of the 102nd~~  
19 ~~General Assembly~~. The discount under this Section is not  
20 allowed for the 1.25% portion of taxes paid on aviation fuel  
21 that is subject to the revenue use requirements of 49 U.S.C.  
22 47107(b) and 49 U.S.C. 47133. Any prepayment made pursuant to  
23 Section 2d of this Act shall be included in the amount on which  
24 such 2.1% or 1.75% discount is computed. In the case of  
25 retailers who report and pay the tax on a transaction by  
26 transaction basis, as provided in this Section, such discount

1 shall be taken with each such tax remittance instead of when  
2 such retailer files his periodic return. The discount allowed  
3 under this Section is allowed only for returns that are filed  
4 in the manner required by this Act. The Department may  
5 disallow the discount for retailers whose certificate of  
6 registration is revoked at the time the return is filed, but  
7 only if the Department's decision to revoke the certificate of  
8 registration has become final.

9 Before October 1, 2000, if the taxpayer's average monthly  
10 tax liability to the Department under this Act, the Use Tax  
11 Act, the Service Occupation Tax Act, and the Service Use Tax  
12 Act, excluding any liability for prepaid sales tax to be  
13 remitted in accordance with Section 2d of this Act, was  
14 \$10,000 or more during the preceding 4 complete calendar  
15 quarters, he shall file a return with the Department each  
16 month by the 20th day of the month next following the month  
17 during which such tax liability is incurred and shall make  
18 payments to the Department on or before the 7th, 15th, 22nd and  
19 last day of the month during which such liability is incurred.  
20 On and after October 1, 2000, if the taxpayer's average  
21 monthly tax liability to the Department under this Act, the  
22 Use Tax Act, the Service Occupation Tax Act, and the Service  
23 Use Tax Act, excluding any liability for prepaid sales tax to  
24 be remitted in accordance with Section 2d of this Act, was  
25 \$20,000 or more during the preceding 4 complete calendar  
26 quarters, he shall file a return with the Department each

1 month by the 20th day of the month next following the month  
2 during which such tax liability is incurred and shall make  
3 payment to the Department on or before the 7th, 15th, 22nd and  
4 last day of the month during which such liability is incurred.  
5 If the month during which such tax liability is incurred began  
6 prior to January 1, 1985, each payment shall be in an amount  
7 equal to 1/4 of the taxpayer's actual liability for the month  
8 or an amount set by the Department not to exceed 1/4 of the  
9 average monthly liability of the taxpayer to the Department  
10 for the preceding 4 complete calendar quarters (excluding the  
11 month of highest liability and the month of lowest liability  
12 in such 4 quarter period). If the month during which such tax  
13 liability is incurred begins on or after January 1, 1985 and  
14 prior to January 1, 1987, each payment shall be in an amount  
15 equal to 22.5% of the taxpayer's actual liability for the  
16 month or 27.5% of the taxpayer's liability for the same  
17 calendar month of the preceding year. If the month during  
18 which such tax liability is incurred begins on or after  
19 January 1, 1987 and prior to January 1, 1988, each payment  
20 shall be in an amount equal to 22.5% of the taxpayer's actual  
21 liability for the month or 26.25% of the taxpayer's liability  
22 for the same calendar month of the preceding year. If the month  
23 during which such tax liability is incurred begins on or after  
24 January 1, 1988, and prior to January 1, 1989, or begins on or  
25 after January 1, 1996, each payment shall be in an amount equal  
26 to 22.5% of the taxpayer's actual liability for the month or

1 25% of the taxpayer's liability for the same calendar month of  
2 the preceding year. If the month during which such tax  
3 liability is incurred begins on or after January 1, 1989, and  
4 prior to January 1, 1996, each payment shall be in an amount  
5 equal to 22.5% of the taxpayer's actual liability for the  
6 month or 25% of the taxpayer's liability for the same calendar  
7 month of the preceding year or 100% of the taxpayer's actual  
8 liability for the quarter monthly reporting period. The amount  
9 of such quarter monthly payments shall be credited against the  
10 final tax liability of the taxpayer's return for that month.  
11 Before October 1, 2000, once applicable, the requirement of  
12 the making of quarter monthly payments to the Department by  
13 taxpayers having an average monthly tax liability of \$10,000  
14 or more as determined in the manner provided above shall  
15 continue until such taxpayer's average monthly liability to  
16 the Department during the preceding 4 complete calendar  
17 quarters (excluding the month of highest liability and the  
18 month of lowest liability) is less than \$9,000, or until such  
19 taxpayer's average monthly liability to the Department as  
20 computed for each calendar quarter of the 4 preceding complete  
21 calendar quarter period is less than \$10,000. However, if a  
22 taxpayer can show the Department that a substantial change in  
23 the taxpayer's business has occurred which causes the taxpayer  
24 to anticipate that his average monthly tax liability for the  
25 reasonably foreseeable future will fall below the \$10,000  
26 threshold stated above, then such taxpayer may petition the



1 Department for a change in such taxpayer's reporting status.  
2 On and after October 1, 2000, once applicable, the requirement  
3 of the making of quarter monthly payments to the Department by  
4 taxpayers having an average monthly tax liability of \$20,000  
5 or more as determined in the manner provided above shall  
6 continue until such taxpayer's average monthly liability to  
7 the Department during the preceding 4 complete calendar  
8 quarters (excluding the month of highest liability and the  
9 month of lowest liability) is less than \$19,000 or until such  
10 taxpayer's average monthly liability to the Department as  
11 computed for each calendar quarter of the 4 preceding complete  
12 calendar quarter period is less than \$20,000. However, if a  
13 taxpayer can show the Department that a substantial change in  
14 the taxpayer's business has occurred which causes the taxpayer  
15 to anticipate that his average monthly tax liability for the  
16 reasonably foreseeable future will fall below the \$20,000  
17 threshold stated above, then such taxpayer may petition the  
18 Department for a change in such taxpayer's reporting status.  
19 The Department shall change such taxpayer's reporting status  
20 unless it finds that such change is seasonal in nature and not  
21 likely to be long term. Quarter monthly payment status shall  
22 be determined under this paragraph as if the rate reduction to  
23 0% in Public Act 102-700 ~~this amendatory Act of the 102nd~~  
24 ~~General Assembly~~ on food for human consumption that is to be  
25 consumed off the premises where it is sold (other than  
26 alcoholic beverages, food consisting of or infused with adult

1 use cannabis, soft drinks, and food that has been prepared for  
2 immediate consumption) had not occurred. For quarter monthly  
3 payments due under this paragraph on or after July 1, 2023 and  
4 through June 30, 2024, "25% of the taxpayer's liability for  
5 the same calendar month of the preceding year" shall be  
6 determined as if the rate reduction to 0% in Public Act 102-700  
7 ~~this amendatory Act of the 102nd General Assembly~~ had not  
8 occurred. Quarter monthly payment status shall be determined  
9 under this paragraph as if the rate reduction to 1.25% in  
10 Public Act 102-700 ~~this amendatory Act of the 102nd General~~  
11 ~~Assembly~~ on sales tax holiday items had not occurred. Quarter  
12 monthly payment status shall be determined under this  
13 paragraph as if the rate reduction to 1.25% in this amendatory  
14 Act of the 103rd General Assembly on sales tax holiday items  
15 had not occurred. For quarter monthly payments due on or after  
16 July 1, 2023 and through June 30, 2024, "25% of the taxpayer's  
17 liability for the same calendar month of the preceding year"  
18 shall be determined as if the rate reduction to 1.25% in Public  
19 Act 102-700 ~~this amendatory Act of the 102nd General Assembly~~  
20 on sales tax holiday items had not occurred. For quarter  
21 monthly payments due on or after July 1, 2024 and through June  
22 30, 2025, "25% of the taxpayer's liability for the same  
23 calendar month of the preceding year" shall be determined as  
24 if the rate reduction to 1.25% in this amendatory Act of the  
25 103rd General Assembly on sales tax holiday items had not  
26 occurred. If any such quarter monthly payment is not paid at

1 the time or in the amount required by this Section, then the  
2 taxpayer shall be liable for penalties and interest on the  
3 difference between the minimum amount due as a payment and the  
4 amount of such quarter monthly payment actually and timely  
5 paid, except insofar as the taxpayer has previously made  
6 payments for that month to the Department in excess of the  
7 minimum payments previously due as provided in this Section.  
8 The Department shall make reasonable rules and regulations to  
9 govern the quarter monthly payment amount and quarter monthly  
10 payment dates for taxpayers who file on other than a calendar  
11 monthly basis.

12 The provisions of this paragraph apply before October 1,  
13 2001. Without regard to whether a taxpayer is required to make  
14 quarter monthly payments as specified above, any taxpayer who  
15 is required by Section 2d of this Act to collect and remit  
16 prepaid taxes and has collected prepaid taxes which average in  
17 excess of \$25,000 per month during the preceding 2 complete  
18 calendar quarters, shall file a return with the Department as  
19 required by Section 2f and shall make payments to the  
20 Department on or before the 7th, 15th, 22nd and last day of the  
21 month during which such liability is incurred. If the month  
22 during which such tax liability is incurred began prior to  
23 September 1, 1985 (the effective date of Public Act 84-221),  
24 each payment shall be in an amount not less than 22.5% of the  
25 taxpayer's actual liability under Section 2d. If the month  
26 during which such tax liability is incurred begins on or after

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

22 The provisions of this paragraph apply on and after  
23 October 1, 2001. Without regard to whether a taxpayer is  
24 required to make quarter monthly payments as specified above,  
25 any taxpayer who is required by Section 2d of this Act to  
26 collect and remit prepaid taxes and has collected prepaid

1 taxes that average in excess of \$20,000 per month during the  
2 preceding 4 complete calendar quarters shall file a return  
3 with the Department as required by Section 2f and shall make  
4 payments to the Department on or before the 7th, 15th, 22nd and  
5 last day of the month during which the liability is incurred.  
6 Each payment shall be in an amount equal to 22.5% of the  
7 taxpayer's actual liability for the month or 25% of the  
8 taxpayer's liability for the same calendar month of the  
9 preceding year. The amount of the quarter monthly payments  
10 shall be credited against the final tax liability of the  
11 taxpayer's return for that month filed under this Section or  
12 Section 2f, as the case may be. Once applicable, the  
13 requirement of the making of quarter monthly payments to the  
14 Department pursuant to this paragraph shall continue until the  
15 taxpayer's average monthly prepaid tax collections during the  
16 preceding 4 complete calendar quarters (excluding the month of  
17 highest liability and the month of lowest liability) is less  
18 than \$19,000 or until such taxpayer's average monthly  
19 liability to the Department as computed for each calendar  
20 quarter of the 4 preceding complete calendar quarters is less  
21 than \$20,000. If any such quarter monthly payment is not paid  
22 at the time or in the amount required, the taxpayer shall be  
23 liable for penalties and interest on such difference, except  
24 insofar as the taxpayer has previously made payments for that  
25 month in excess of the minimum payments previously due.

26 If any payment provided for in this Section exceeds the

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

22 If a retailer of motor fuel is entitled to a credit under  
23 Section 2d of this Act which exceeds the taxpayer's liability  
24 to the Department under this Act for the month for which the  
25 taxpayer is filing a return, the Department shall issue the  
26 taxpayer a credit memorandum for the excess.

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

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

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

23           Beginning January 1, 1990, each month the Department shall  
24 pay into the Local Government Tax Fund 16% of the net revenue  
25 realized for the preceding month from the 6.25% general rate  
26 on the selling price of tangible personal property other than

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

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

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

26 Beginning October 1, 2009, each month the Department shall



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

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

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

1 equal to the difference between the average monthly claims for  
2 payment by the fund and the average monthly revenues deposited  
3 into the fund, excluding payments made pursuant to this  
4 paragraph.

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

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

1 moneys received by the Department pursuant to the Tax Acts;  
2 the "Annual Specified Amount" means the amounts specified  
3 below for fiscal years 1986 through 1993:

4	Fiscal Year	Annual Specified Amount
5	1986	\$54,800,000
6	1987	\$76,650,000
7	1988	\$80,480,000
8	1989	\$88,510,000
9	1990	\$115,330,000
10	1991	\$145,470,000
11	1992	\$182,730,000
12	1993	\$206,520,000;

13 and means the Certified Annual Debt Service Requirement (as  
14 defined in Section 13 of the Build Illinois Bond Act) or the  
15 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
16 each fiscal year thereafter; and further provided, that if on  
17 the last business day of any month the sum of (1) the Tax Act  
18 Amount required to be deposited into the Build Illinois Bond  
19 Account in the Build Illinois Fund during such month and (2)  
20 the amount transferred to the Build Illinois Fund from the  
21 State and Local Sales Tax Reform Fund shall have been less than  
22 1/12 of the Annual Specified Amount, 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 in no event shall the  
26 payments required under the preceding proviso result in

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

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

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

22	Fiscal Year	Total Deposit
23	1993	\$0
24	1994	53,000,000
25	1995	58,000,000
26	1996	61,000,000

1	1997	64,000,000
2	1998	68,000,000
3	1999	71,000,000
4	2000	75,000,000
5	2001	80,000,000
6	2002	93,000,000
7	2003	99,000,000
8	2004	103,000,000
9	2005	108,000,000
10	2006	113,000,000
11	2007	119,000,000
12	2008	126,000,000
13	2009	132,000,000
14	2010	139,000,000
15	2011	146,000,000
16	2012	153,000,000
17	2013	161,000,000
18	2014	170,000,000
19	2015	179,000,000
20	2016	189,000,000
21	2017	199,000,000
22	2018	210,000,000
23	2019	221,000,000
24	2020	233,000,000
25	2021	300,000,000
26	2022	300,000,000

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

15                   and  
16                    each fiscal year  
17                   thereafter that bonds  
18                   are outstanding under  
19                   Section 13.2 of the  
20                   Metropolitan Pier and  
21                   Exposition Authority Act,

22                   but not after fiscal year 2060.

23                   Beginning July 20, 1993 and in each month of each fiscal  
24                   year thereafter, one-eighth of the amount requested in the  
25                   certificate of the Chairman of the Metropolitan Pier and  
26                   Exposition Authority for that fiscal year, less the amount

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

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

23 Subject to payment of amounts into the Build Illinois Fund  
24 and the McCormick Place Expansion Project Fund pursuant to the  
25 preceding paragraphs or in any amendments thereto hereafter  
26 enacted, beginning July 1, 1993 and ending on September 30,



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

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

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

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

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

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

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

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

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

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

1 imposed on motor fuel and gasohol. Beginning July 1, 2023 and  
2 until July 1, 2024, subject to the payment of amounts into the  
3 County and Mass Transit District Fund, the Local Government  
4 Tax Fund, the Build Illinois Fund, the McCormick Place  
5 Expansion Project Fund, the Illinois Tax Increment Fund, the  
6 Energy Infrastructure Fund, and the Tax Compliance and  
7 Administration Fund as provided in this Section, the  
8 Department shall pay each month into the Road Fund the amount  
9 estimated to represent 48% of the net revenue realized from  
10 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
11 2024 and until July 1, 2025, subject to the payment of amounts  
12 into the County and Mass Transit District Fund, the Local  
13 Government Tax 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 64% of the net revenue realized from  
19 the taxes imposed on motor fuel and gasohol. Beginning on July  
20 1, 2025, subject to the payment of amounts into the County and  
21 Mass 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 80% of the net revenue realized from the taxes  
2 imposed on motor fuel and gasohol. As used in this paragraph  
3 "motor fuel" has the meaning given to that term in Section 1.1  
4 of the Motor Fuel Tax Law, and "gasohol" has the meaning given  
5 to that term in Section 3-40 of the Use Tax Act.

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

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

1 and closing inventories of such goods for such year, costs of  
2 goods used from stock or taken from stock and given away by the  
3 retailer during such year, payroll information of the  
4 retailer's business during such year and any additional  
5 reasonable information which the Department deems would be  
6 helpful in determining the accuracy of the monthly, quarterly  
7 or annual returns filed by such retailer as provided for in  
8 this Section.

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

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

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

22 The chief executive officer, proprietor, owner or highest  
23 ranking manager shall sign the annual return to certify the  
24 accuracy of the information contained therein. Any person who  
25 willfully signs the annual return containing false or  
26 inaccurate information shall be guilty of perjury and punished

1 accordingly. The annual return form prescribed by the  
2 Department shall include a warning that the person signing the  
3 return may be liable for perjury.

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

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

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

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

26 Any person who promotes, organizes, provides retail



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

17 Any person engaged in the business of selling tangible  
18 personal property at retail as a concessionaire or other type  
19 of seller at the Illinois State Fair, county fairs, art shows,  
20 flea markets and similar exhibitions or events, or any  
21 transient merchants, as defined by Section 2 of the Transient  
22 Merchant Act of 1987, may be required to make a daily report of  
23 the amount of such sales to the Department and to make a daily  
24 payment of the full amount of tax due. The Department shall  
25 impose this requirement when it finds that there is a  
26 significant risk of loss of revenue to the State at such an

1 exhibition or event. Such a finding shall be based on evidence  
2 that a substantial number of concessionaires or other sellers  
3 who are not residents of Illinois will be engaging in the  
4 business of selling tangible personal property at retail at  
5 the exhibition or event, or other evidence of a significant  
6 risk of loss of revenue to the State. The Department shall  
7 notify concessionaires and other sellers affected by the  
8 imposition of this requirement. In the absence of notification  
9 by the Department, the concessionaires and other sellers shall  
10 file their returns as otherwise required in this Section.

11 (Source: P.A. 101-10, Article 15, Section 15-25, eff. 6-5-19;  
12 101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff.  
13 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;  
14 101-636, eff. 6-10-20; 102-634, eff. 8-27-21; 102-700, Article  
15 60, Section 60-30, eff. 4-19-22; 102-700, Article 65, Section  
16 65-10, eff. 4-19-22; 102-813, eff. 5-13-22; 102-1019, eff.  
17 1-1-23; revised 12-13-22.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.