



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3093

Introduced 2/2/2024, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

35 ILCS 120/2a	from Ch. 120, par. 441a
35 ILCS 120/2b	from Ch. 120, par. 441b
235 ILCS 5/1-3.45 new	
235 ILCS 5/7-6.5 new	

Amends the Retailers' Occupation Tax Act and the Liquor Control Act of 1934. Provides that, if any licensee authorized to sell alcoholic liquor at retail has had the renewal of his or her certificate of registration denied by the Department of Revenue or if such a licensee's certificate of registration has been revoked by the Department of Revenue, then the Department of Revenue shall file a notice with the Liquor Control Commission that includes a certification, signed by Director of Revenue or his or her designee, attesting that the renewal of the person's certificate of registration has been denied or that the person's certificate of registration has been revoked, as applicable, after notice and an opportunity to be heard. Provides that the Liquor Control Commission shall inactivate the license of that licensee until the Department of Revenue notifies the Liquor Control Commission that the violation resulting in the nonrenewal or revocation has been remedied and the certificate of registration has been reinstated by the Department of Revenue. Effective immediately

LRB103 34187 HLH 64010 b

1 AN ACT concerning regulation.

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

4 Section 5. The Retailers' Occupation Tax Act is amended by
5 changing Sections 2a and 2b as follows:

6 (35 ILCS 120/2a) (from Ch. 120, par. 441a)

7 (Text of Section before amendment by P.A. 103-319)

8 Sec. 2a. It is unlawful for any person to engage in the
9 business of selling tangible personal property at retail in
10 this State without a certificate of registration from the
11 Department. Application for a certificate of registration
12 shall be made to the Department upon forms furnished by it.
13 Each such application shall be signed and verified and shall
14 state: (1) the name and social security number of the
15 applicant; (2) the address of his principal place of business;
16 (3) the address of the principal place of business from which
17 he engages in the business of selling tangible personal
18 property at retail in this State and the addresses of all other
19 places of business, if any (enumerating such addresses, if
20 any, in a separate list attached to and made a part of the
21 application), from which he engages in the business of selling
22 tangible personal property at retail in this State; (4) the
23 name and address of the person or persons who will be

1 responsible for filing returns and payment of taxes due under
2 this Act; (5) in the case of a publicly traded corporation, the
3 name and title of the Chief Financial Officer, Chief Operating
4 Officer, and any other officer or employee with responsibility
5 for preparing tax returns under this Act, and, in the case of
6 all other corporations, the name, title, and social security
7 number of each corporate officer; (6) in the case of a limited
8 liability company, the name, social security number, and FEIN
9 number of each manager and member; and (7) such other
10 information as the Department may reasonably require. The
11 application shall contain an acceptance of responsibility
12 signed by the person or persons who will be responsible for
13 filing returns and payment of the taxes due under this Act. If
14 the applicant will sell tangible personal property at retail
15 through vending machines, his application to register shall
16 indicate the number of vending machines to be so operated. If
17 requested by the Department at any time, that person shall
18 verify the total number of vending machines he or she uses in
19 his or her business of selling tangible personal property at
20 retail.

21 The Department shall provide by rule for an expedited
22 business registration process for remote retailers required to
23 register and file under subsection (b) of Section 2 who use a
24 certified service provider to file their returns under this
25 Act. Such expedited registration process shall allow the
26 Department to register a taxpayer based upon the same

1 registration information required by the Streamlined Sales Tax
2 Governing Board for states participating in the Streamlined
3 Sales Tax Project.

4 The Department may deny a certificate of registration to
5 any applicant if a person who is named as the owner, a partner,
6 a manager or member of a limited liability company, or a
7 corporate officer of the applicant on the application for the
8 certificate of registration is or has been named as the owner,
9 a partner, a manager or member of a limited liability company,
10 or a corporate officer on the application for the certificate
11 of registration of another retailer that is in default for
12 moneys due under this Act or any other tax or fee Act
13 administered by the Department. For purposes of this paragraph
14 only, in determining whether a person is in default for moneys
15 due, the Department shall include only amounts established as
16 a final liability within the 23 years prior to the date of the
17 Department's notice of denial of a certificate of
18 registration.

19 The Department may require an applicant for a certificate
20 of registration hereunder to, at the time of filing such
21 application, furnish a bond from a surety company authorized
22 to do business in the State of Illinois, or an irrevocable bank
23 letter of credit or a bond signed by 2 personal sureties who
24 have filed, with the Department, sworn statements disclosing
25 net assets equal to at least 3 times the amount of the bond to
26 be required of such applicant, or a bond secured by an

1 assignment of a bank account or certificate of deposit, stocks
2 or bonds, conditioned upon the applicant paying to the State
3 of Illinois all moneys becoming due under this Act and under
4 any other State tax law or municipal or county tax ordinance or
5 resolution under which the certificate of registration that is
6 issued to the applicant under this Act will permit the
7 applicant to engage in business without registering separately
8 under such other law, ordinance or resolution. In making a
9 determination as to whether to require a bond or other
10 security, the Department shall take into consideration whether
11 the owner, any partner, any manager or member of a limited
12 liability company, or a corporate officer of the applicant is
13 or has been the owner, a partner, a manager or member of a
14 limited liability company, or a corporate officer of another
15 retailer that is in default for moneys due under this Act or
16 any other tax or fee Act administered by the Department; and
17 whether the owner, any partner, any manager or member of a
18 limited liability company, or a corporate officer of the
19 applicant is or has been the owner, a partner, a manager or
20 member of a limited liability company, or a corporate officer
21 of another retailer whose certificate of registration has been
22 revoked within the previous 5 years under this Act or any other
23 tax or fee Act administered by the Department. If a bond or
24 other security is required, the Department shall fix the
25 amount of the bond or other security, taking into
26 consideration the amount of money expected to become due from

1 the applicant under this Act and under any other State tax law
2 or municipal or county tax ordinance or resolution under which
3 the certificate of registration that is issued to the
4 applicant under this Act will permit the applicant to engage
5 in business without registering separately under such other
6 law, ordinance, or resolution. The amount of security required
7 by the Department shall be such as, in its opinion, will
8 protect the State of Illinois against failure to pay the
9 amount which may become due from the applicant under this Act
10 and under any other State tax law or municipal or county tax
11 ordinance or resolution under which the certificate of
12 registration that is issued to the applicant under this Act
13 will permit the applicant to engage in business without
14 registering separately under such other law, ordinance or
15 resolution, but the amount of the security required by the
16 Department shall not exceed three times the amount of the
17 applicant's average monthly tax liability, or \$50,000.00,
18 whichever amount is lower.

19 No certificate of registration under this Act shall be
20 issued by the Department until the applicant provides the
21 Department with satisfactory security, if required, as herein
22 provided for.

23 Upon receipt of the application for certificate of
24 registration in proper form, and upon approval by the
25 Department of the security furnished by the applicant, if
26 required, the Department shall issue to such applicant a

1 certificate of registration which shall permit the person to
2 whom it is issued to engage in the business of selling tangible
3 personal property at retail in this State. The certificate of
4 registration shall be conspicuously displayed at the place of
5 business which the person so registered states in his
6 application to be the principal place of business from which
7 he engages in the business of selling tangible personal
8 property at retail in this State.

9 No certificate of registration issued prior to July 1,
10 2017 to a taxpayer who files returns required by this Act on a
11 monthly basis or renewed prior to July 1, 2017 by a taxpayer
12 who files returns required by this Act on a monthly basis shall
13 be valid after the expiration of 5 years from the date of its
14 issuance or last renewal. No certificate of registration
15 issued on or after July 1, 2017 to a taxpayer who files returns
16 required by this Act on a monthly basis or renewed on or after
17 July 1, 2017 by a taxpayer who files returns required by this
18 Act on a monthly basis shall be valid after the expiration of
19 one year from the date of its issuance or last renewal. The
20 expiration date of a sub-certificate of registration shall be
21 that of the certificate of registration to which the
22 sub-certificate relates. Prior to July 1, 2017, a certificate
23 of registration shall automatically be renewed, subject to
24 revocation as provided by this Act, for an additional 5 years
25 from the date of its expiration unless otherwise notified by
26 the Department as provided by this paragraph. On and after

1 July 1, 2017, a certificate of registration shall
2 automatically be renewed, subject to revocation as provided by
3 this Act, for an additional one year from the date of its
4 expiration unless otherwise notified by the Department as
5 provided by this paragraph.

6 Where a taxpayer to whom a certificate of registration is
7 issued under this Act is in default to the State of Illinois
8 for delinquent returns or for moneys due under this Act or any
9 other State tax law or municipal or county ordinance
10 administered or enforced by the Department, the Department
11 shall, not less than 60 days before the expiration date of such
12 certificate of registration, give notice to the taxpayer to
13 whom the certificate was issued of the account period of the
14 delinquent returns, the amount of tax, penalty and interest
15 due and owing from the taxpayer, and that the certificate of
16 registration shall not be automatically renewed upon its
17 expiration date unless the taxpayer, on or before the date of
18 expiration, has filed and paid the delinquent returns or paid
19 the defaulted amount in full. A taxpayer to whom such a notice
20 is issued shall be deemed an applicant for renewal. The
21 Department shall promulgate regulations establishing
22 procedures for taxpayers who file returns on a monthly basis
23 but desire and qualify to change to a quarterly or yearly
24 filing basis and will no longer be subject to renewal under
25 this Section, and for taxpayers who file returns on a yearly or
26 quarterly basis but who desire or are required to change to a

1 monthly filing basis and will be subject to renewal under this
2 Section.

3 The Department may in its discretion approve renewal by an
4 applicant who is in default if, at the time of application for
5 renewal, the applicant files all of the delinquent returns or
6 pays to the Department such percentage of the defaulted amount
7 as may be determined by the Department and agrees in writing to
8 waive all limitations upon the Department for collection of
9 the remaining defaulted amount to the Department over a period
10 not to exceed 5 years from the date of renewal of the
11 certificate; however, no renewal application submitted by an
12 applicant who is in default shall be approved if the
13 immediately preceding renewal by the applicant was conditioned
14 upon the installment payment agreement described in this
15 Section. The payment agreement herein provided for shall be in
16 addition to and not in lieu of the security that may be
17 required by this Section of a taxpayer who is no longer
18 considered a prior continuous compliance taxpayer. The
19 execution of the payment agreement as provided in this Act
20 shall not toll the accrual of interest at the statutory rate.

21 The Department may suspend a certificate of registration
22 if the Department finds that the person to whom the
23 certificate of registration has been issued knowingly sold
24 contraband cigarettes.

25 A certificate of registration issued under this Act more
26 than 5 years before January 1, 1990 (the effective date of

1 Public Act 86-383) shall expire and be subject to the renewal
2 provisions of this Section on the next anniversary of the date
3 of issuance of such certificate which occurs more than 6
4 months after January 1, 1990 (the effective date of Public Act
5 86-383). A certificate of registration issued less than 5
6 years before January 1, 1990 (the effective date of Public Act
7 86-383) shall expire and be subject to the renewal provisions
8 of this Section on the 5th anniversary of the issuance of the
9 certificate.

10 If the person so registered states that he operates other
11 places of business from which he engages in the business of
12 selling tangible personal property at retail in this State,
13 the Department shall furnish him with a sub-certificate of
14 registration for each such place of business, and the
15 applicant shall display the appropriate sub-certificate of
16 registration at each such place of business. All
17 sub-certificates of registration shall bear the same
18 registration number as that appearing upon the certificate of
19 registration to which such sub-certificates relate.

20 If the applicant will sell tangible personal property at
21 retail through vending machines, the Department shall furnish
22 him with a sub-certificate of registration for each such
23 vending machine, and the applicant shall display the
24 appropriate sub-certificate of registration on each such
25 vending machine by attaching the sub-certificate of
26 registration to a conspicuous part of such vending machine. If

1 a person who is registered to sell tangible personal property
2 at retail through vending machines adds an additional vending
3 machine or additional vending machines to the number of
4 vending machines he or she uses in his or her business of
5 selling tangible personal property at retail, he or she shall
6 notify the Department, on a form prescribed by the Department,
7 to request an additional sub-certificate or additional
8 sub-certificates of registration, as applicable. With each
9 such request, the applicant shall report the number of
10 sub-certificates of registration he or she is requesting as
11 well as the total number of vending machines from which he or
12 she makes retail sales.

13 Where the same person engages in 2 or more businesses of
14 selling tangible personal property at retail in this State,
15 which businesses are substantially different in character or
16 engaged in under different trade names or engaged in under
17 other substantially dissimilar circumstances (so that it is
18 more practicable, from an accounting, auditing or bookkeeping
19 standpoint, for such businesses to be separately registered),
20 the Department may require or permit such person (subject to
21 the same requirements concerning the furnishing of security as
22 those that are provided for hereinbefore in this Section as to
23 each application for a certificate of registration) to apply
24 for and obtain a separate certificate of registration for each
25 such business or for any of such businesses, under a single
26 certificate of registration supplemented by related

1 sub-certificates of registration.

2 Any person who is registered under the Retailers'
3 Occupation Tax Act as of March 8, 1963, and who, during the
4 3-year period immediately prior to March 8, 1963, or during a
5 continuous 3-year period part of which passed immediately
6 before and the remainder of which passes immediately after
7 March 8, 1963, has been so registered continuously and who is
8 determined by the Department not to have been either
9 delinquent or deficient in the payment of tax liability during
10 that period under this Act or under any other State tax law or
11 municipal or county tax ordinance or resolution under which
12 the certificate of registration that is issued to the
13 registrant under this Act will permit the registrant to engage
14 in business without registering separately under such other
15 law, ordinance or resolution, shall be considered to be a
16 Prior Continuous Compliance taxpayer. Also any taxpayer who
17 has, as verified by the Department, faithfully and
18 continuously complied with the condition of his bond or other
19 security under the provisions of this Act for a period of 3
20 consecutive years shall be considered to be a Prior Continuous
21 Compliance taxpayer.

22 Every Prior Continuous Compliance taxpayer shall be exempt
23 from all requirements under this Act concerning the furnishing
24 of a bond or other security as a condition precedent to his
25 being authorized to engage in the business of selling tangible
26 personal property at retail in this State. This exemption

1 shall continue for each such taxpayer until such time as he may
2 be determined by the Department to be delinquent in the filing
3 of any returns, or is determined by the Department (either
4 through the Department's issuance of a final assessment which
5 has become final under the Act, or by the taxpayer's filing of
6 a return which admits tax that is not paid to be due) to be
7 delinquent or deficient in the paying of any tax under this Act
8 or under any other State tax law or municipal or county tax
9 ordinance or resolution under which the certificate of
10 registration that is issued to the registrant under this Act
11 will permit the registrant to engage in business without
12 registering separately under such other law, ordinance or
13 resolution, at which time that taxpayer shall become subject
14 to all the financial responsibility requirements of this Act
15 and, as a condition of being allowed to continue to engage in
16 the business of selling tangible personal property at retail,
17 may be required to post bond or other acceptable security with
18 the Department covering liability which such taxpayer may
19 thereafter incur. Any taxpayer who fails to pay an admitted or
20 established liability under this Act may also be required to
21 post bond or other acceptable security with this Department
22 guaranteeing the payment of such admitted or established
23 liability.

24 No certificate of registration shall be issued to any
25 person who is in default to the State of Illinois for moneys
26 due under this Act or under any other State tax law or

1 municipal or county tax ordinance or resolution under which
2 the certificate of registration that is issued to the
3 applicant under this Act will permit the applicant to engage
4 in business without registering separately under such other
5 law, ordinance or resolution.

6 Any person aggrieved by any decision of the Department
7 under this Section may, within 20 days after notice of such
8 decision, protest and request a hearing, whereupon the
9 Department shall give notice to such person of the time and
10 place fixed for such hearing and shall hold a hearing in
11 conformity with the provisions of this Act and then issue its
12 final administrative decision in the matter to such person. In
13 the absence of such a protest within 20 days, the Department's
14 decision shall become final without any further determination
15 being made or notice given.

16 With respect to security other than bonds (upon which the
17 Department may sue in the event of a forfeiture), if the
18 taxpayer fails to pay, when due, any amount whose payment such
19 security guarantees, the Department shall, after such
20 liability is admitted by the taxpayer or established by the
21 Department through the issuance of a final assessment that has
22 become final under the law, convert the security which that
23 taxpayer has furnished into money for the State, after first
24 giving the taxpayer at least 10 days' written notice, by
25 registered or certified mail, to pay the liability or forfeit
26 such security to the Department. If the security consists of

1 stocks or bonds or other securities which are listed on a
2 public exchange, the Department shall sell such securities
3 through such public exchange. If the security consists of an
4 irrevocable bank letter of credit, the Department shall
5 convert the security in the manner provided for in the Uniform
6 Commercial Code. If the security consists of a bank
7 certificate of deposit, the Department shall convert the
8 security into money by demanding and collecting the amount of
9 such bank certificate of deposit from the bank which issued
10 such certificate. If the security consists of a type of stocks
11 or other securities which are not listed on a public exchange,
12 the Department shall sell such security to the highest and
13 best bidder after giving at least 10 days' notice of the date,
14 time and place of the intended sale by publication in the
15 "State Official Newspaper". If the Department realizes more
16 than the amount of such liability from the security, plus the
17 expenses incurred by the Department in converting the security
18 into money, the Department shall pay such excess to the
19 taxpayer who furnished such security, and the balance shall be
20 paid into the State Treasury.

21 The Department shall discharge any surety and shall
22 release and return any security deposited, assigned, pledged
23 or otherwise provided to it by a taxpayer under this Section
24 within 30 days after:

25 (1) such taxpayer becomes a Prior Continuous
26 Compliance taxpayer; or

1 (2) such taxpayer has ceased to collect receipts on
2 which he is required to remit tax to the Department, has
3 filed a final tax return, and has paid to the Department an
4 amount sufficient to discharge his remaining tax
5 liability, as determined by the Department, under this Act
6 and under every other State tax law or municipal or county
7 tax ordinance or resolution under which the certificate of
8 registration issued under this Act permits the registrant
9 to engage in business without registering separately under
10 such other law, ordinance or resolution. The Department
11 shall make a final determination of the taxpayer's
12 outstanding tax liability as expeditiously as possible
13 after his final tax return has been filed; if the
14 Department cannot make such final determination within 45
15 days after receiving the final tax return, within such
16 period it shall so notify the taxpayer, stating its
17 reasons therefor.

18 (Source: P.A. 101-31, eff. 6-28-19; 102-40, eff. 6-25-21.)

19 (Text of Section after amendment by P.A. 103-319)

20 Sec. 2a. It is unlawful for any person to engage in the
21 business of selling tangible personal property at retail in
22 this State without a certificate of registration from the
23 Department. Application for a certificate of registration
24 shall be made to the Department upon forms furnished by it.
25 Each such application shall be signed and verified and shall

1 state: (1) the name and social security number of the
2 applicant; (2) the address of his principal place of business;
3 (3) the address of the principal place of business from which
4 he engages in the business of selling tangible personal
5 property at retail in this State and the addresses of all other
6 places of business, if any (enumerating such addresses, if
7 any, in a separate list attached to and made a part of the
8 application), from which he engages in the business of selling
9 tangible personal property at retail in this State; (4) the
10 name and address of the person or persons who will be
11 responsible for filing returns and payment of taxes due under
12 this Act; (5) in the case of a publicly traded corporation, the
13 name and title of the Chief Financial Officer, Chief Operating
14 Officer, and any other officer or employee with responsibility
15 for preparing tax returns under this Act, and, in the case of
16 all other corporations, the name, title, and social security
17 number of each corporate officer; (6) in the case of a limited
18 liability company, the name, social security number, and FEIN
19 number of each manager and member; and (7) such other
20 information as the Department may reasonably require. The
21 application shall contain an acceptance of responsibility
22 signed by the person or persons who will be responsible for
23 filing returns and payment of the taxes due under this Act. If
24 the applicant will sell tangible personal property at retail
25 through vending machines, his application to register shall
26 indicate the number of vending machines to be so operated. If

1 requested by the Department at any time, that person shall
2 verify the total number of vending machines he or she uses in
3 his or her business of selling tangible personal property at
4 retail.

5 The Department shall provide by rule for an expedited
6 business registration process for remote retailers required to
7 register and file under subsection (b) of Section 2 who use a
8 certified service provider to file their returns under this
9 Act. Such expedited registration process shall allow the
10 Department to register a taxpayer based upon the same
11 registration information required by the Streamlined Sales Tax
12 Governing Board for states participating in the Streamlined
13 Sales Tax Project.

14 The Department may deny a certificate of registration to
15 any applicant if a person who is named as the owner, a partner,
16 a manager or member of a limited liability company, or a
17 corporate officer of the applicant on the application for the
18 certificate of registration is or has been named as the owner,
19 a partner, a manager or member of a limited liability company,
20 or a corporate officer on the application for the certificate
21 of registration of another retailer that (i) is in default for
22 moneys due under this Act or any other tax or fee Act
23 administered by the Department or (ii) fails to file any
24 return, on or before the due date prescribed for filing that
25 return (including any extensions of time granted by the
26 Department), that the retailer is required to file under this

1 Act or any other tax or fee Act administered by the Department.
2 For purposes of this paragraph only, in determining whether a
3 person is in default for moneys due, the Department shall
4 include only amounts established as a final liability within
5 the 23 years prior to the date of the Department's notice of
6 denial of a certificate of registration.

7 The Department may require an applicant for a certificate
8 of registration hereunder to, at the time of filing such
9 application, furnish a bond from a surety company authorized
10 to do business in the State of Illinois, or an irrevocable bank
11 letter of credit or a bond signed by 2 personal sureties who
12 have filed, with the Department, sworn statements disclosing
13 net assets equal to at least 3 times the amount of the bond to
14 be required of such applicant, or a bond secured by an
15 assignment of a bank account or certificate of deposit, stocks
16 or bonds, conditioned upon the applicant paying to the State
17 of Illinois all moneys becoming due under this Act and under
18 any other State tax law or municipal or county tax ordinance or
19 resolution under which the certificate of registration that is
20 issued to the applicant under this Act will permit the
21 applicant to engage in business without registering separately
22 under such other law, ordinance or resolution. In making a
23 determination as to whether to require a bond or other
24 security, the Department shall take into consideration whether
25 the owner, any partner, any manager or member of a limited
26 liability company, or a corporate officer of the applicant is

1 or has been the owner, a partner, a manager or member of a
2 limited liability company, or a corporate officer of another
3 retailer that is in default for moneys due under this Act or
4 any other tax or fee Act administered by the Department; and
5 whether the owner, any partner, any manager or member of a
6 limited liability company, or a corporate officer of the
7 applicant is or has been the owner, a partner, a manager or
8 member of a limited liability company, or a corporate officer
9 of another retailer whose certificate of registration has been
10 revoked within the previous 5 years under this Act or any other
11 tax or fee Act administered by the Department. If a bond or
12 other security is required, the Department shall fix the
13 amount of the bond or other security, taking into
14 consideration the amount of money expected to become due from
15 the applicant under this Act and under any other State tax law
16 or municipal or county tax ordinance or resolution under which
17 the certificate of registration that is issued to the
18 applicant under this Act will permit the applicant to engage
19 in business without registering separately under such other
20 law, ordinance, or resolution. The amount of security required
21 by the Department shall be such as, in its opinion, will
22 protect the State of Illinois against failure to pay the
23 amount which may become due from the applicant under this Act
24 and under any other State tax law or municipal or county tax
25 ordinance or resolution under which the certificate of
26 registration that is issued to the applicant under this Act

1 will permit the applicant to engage in business without
2 registering separately under such other law, ordinance or
3 resolution, but the amount of the security required by the
4 Department shall not exceed three times the amount of the
5 applicant's average monthly tax liability, or \$50,000.00,
6 whichever amount is lower.

7 No certificate of registration under this Act shall be
8 issued by the Department until the applicant provides the
9 Department with satisfactory security, if required, as herein
10 provided for.

11 Upon receipt of the application for certificate of
12 registration in proper form, and upon approval by the
13 Department of the security furnished by the applicant, if
14 required, the Department shall issue to such applicant a
15 certificate of registration which shall permit the person to
16 whom it is issued to engage in the business of selling tangible
17 personal property at retail in this State. The certificate of
18 registration shall be conspicuously displayed at the place of
19 business which the person so registered states in his
20 application to be the principal place of business from which
21 he engages in the business of selling tangible personal
22 property at retail in this State.

23 No certificate of registration issued prior to July 1,
24 2017 to a taxpayer who files returns required by this Act on a
25 monthly basis or renewed prior to July 1, 2017 by a taxpayer
26 who files returns required by this Act on a monthly basis shall

1 be valid after the expiration of 5 years from the date of its
2 issuance or last renewal. No certificate of registration
3 issued on or after July 1, 2017 to a taxpayer who files returns
4 required by this Act on a monthly basis or renewed on or after
5 July 1, 2017 by a taxpayer who files returns required by this
6 Act on a monthly basis shall be valid after the expiration of
7 one year from the date of its issuance or last renewal. The
8 expiration date of a sub-certificate of registration shall be
9 that of the certificate of registration to which the
10 sub-certificate relates. Prior to July 1, 2017, a certificate
11 of registration shall automatically be renewed, subject to
12 revocation as provided by this Act, for an additional 5 years
13 from the date of its expiration unless otherwise notified by
14 the Department as provided by this paragraph. On and after
15 July 1, 2017, a certificate of registration shall
16 automatically be renewed, subject to revocation as provided by
17 this Act, for an additional one year from the date of its
18 expiration unless otherwise notified by the Department as
19 provided by this paragraph.

20 Where a taxpayer to whom a certificate of registration is
21 issued under this Act is in default to the State of Illinois
22 for delinquent returns or for moneys due under this Act or any
23 other State tax law or municipal or county ordinance
24 administered or enforced by the Department, the Department
25 shall, not less than 60 days before the expiration date of such
26 certificate of registration, give notice to the taxpayer to

1 whom the certificate was issued of the account period of the
2 delinquent returns, the amount of tax, penalty and interest
3 due and owing from the taxpayer, and that the certificate of
4 registration shall not be automatically renewed upon its
5 expiration date unless the taxpayer, on or before the date of
6 expiration, has filed and paid the delinquent returns or paid
7 the defaulted amount in full. A taxpayer to whom such a notice
8 is issued shall be deemed an applicant for renewal. The
9 Department shall promulgate regulations establishing
10 procedures for taxpayers who file returns on a monthly basis
11 but desire and qualify to change to a quarterly or yearly
12 filing basis and will no longer be subject to renewal under
13 this Section, and for taxpayers who file returns on a yearly or
14 quarterly basis but who desire or are required to change to a
15 monthly filing basis and will be subject to renewal under this
16 Section.

17 The Department may in its discretion approve renewal by an
18 applicant who is in default if, at the time of application for
19 renewal, the applicant files all of the delinquent returns or
20 pays to the Department such percentage of the defaulted amount
21 as may be determined by the Department and agrees in writing to
22 waive all limitations upon the Department for collection of
23 the remaining defaulted amount to the Department over a period
24 not to exceed 5 years from the date of renewal of the
25 certificate; however, no renewal application submitted by an
26 applicant who is in default shall be approved if the

1 immediately preceding renewal by the applicant was conditioned
2 upon the installment payment agreement described in this
3 Section. The payment agreement herein provided for shall be in
4 addition to and not in lieu of the security that may be
5 required by this Section of a taxpayer who is no longer
6 considered a prior continuous compliance taxpayer. The
7 execution of the payment agreement as provided in this Act
8 shall not toll the accrual of interest at the statutory rate.

9 The Department may suspend a certificate of registration
10 if the Department finds that the person to whom the
11 certificate of registration has been issued knowingly sold
12 contraband cigarettes.

13 A certificate of registration issued under this Act more
14 than 5 years before January 1, 1990 (the effective date of
15 Public Act 86-383) shall expire and be subject to the renewal
16 provisions of this Section on the next anniversary of the date
17 of issuance of such certificate which occurs more than 6
18 months after January 1, 1990 (the effective date of Public Act
19 86-383). A certificate of registration issued less than 5
20 years before January 1, 1990 (the effective date of Public Act
21 86-383) shall expire and be subject to the renewal provisions
22 of this Section on the 5th anniversary of the issuance of the
23 certificate.

24 If a person who is licensed as a retailer of alcoholic
25 liquor under the Liquor Control Act of 1934 has had the renewal
26 of his or her certificate of registration denied under this

1 Section 2a, then, pursuant to Section 7-6.5 of the Liquor
2 Control Act of 1934, the Department shall file a notice with
3 the Liquor Control Commission that includes a certification,
4 signed by the Director of Revenue or his or her designee,
5 attesting that the renewal of the person's certificate of
6 registration has been denied after notice and an opportunity
7 to be heard. The Department shall also file a notice with the
8 Liquor Control Commission that includes a certification,
9 signed by the Director of Revenue or his or her designee, if
10 the violation resulting in the denial has been remedied and
11 the certificate of registration has been reinstated by the
12 Department.

13 If the person so registered states that he operates other
14 places of business from which he engages in the business of
15 selling tangible personal property at retail in this State,
16 the Department shall furnish him with a sub-certificate of
17 registration for each such place of business, and the
18 applicant shall display the appropriate sub-certificate of
19 registration at each such place of business. All
20 sub-certificates of registration shall bear the same
21 registration number as that appearing upon the certificate of
22 registration to which such sub-certificates relate.

23 If the applicant will sell tangible personal property at
24 retail through vending machines, the Department shall furnish
25 him with a sub-certificate of registration for each such
26 vending machine, and the applicant shall display the

1 appropriate sub-certificate of registration on each such
2 vending machine by attaching the sub-certificate of
3 registration to a conspicuous part of such vending machine. If
4 a person who is registered to sell tangible personal property
5 at retail through vending machines adds an additional vending
6 machine or additional vending machines to the number of
7 vending machines he or she uses in his or her business of
8 selling tangible personal property at retail, he or she shall
9 notify the Department, on a form prescribed by the Department,
10 to request an additional sub-certificate or additional
11 sub-certificates of registration, as applicable. With each
12 such request, the applicant shall report the number of
13 sub-certificates of registration he or she is requesting as
14 well as the total number of vending machines from which he or
15 she makes retail sales.

16 Where the same person engages in 2 or more businesses of
17 selling tangible personal property at retail in this State,
18 which businesses are substantially different in character or
19 engaged in under different trade names or engaged in under
20 other substantially dissimilar circumstances (so that it is
21 more practicable, from an accounting, auditing or bookkeeping
22 standpoint, for such businesses to be separately registered),
23 the Department may require or permit such person (subject to
24 the same requirements concerning the furnishing of security as
25 those that are provided for hereinbefore in this Section as to
26 each application for a certificate of registration) to apply

1 for and obtain a separate certificate of registration for each
2 such business or for any of such businesses, under a single
3 certificate of registration supplemented by related
4 sub-certificates of registration.

5 Any person who is registered under the Retailers'
6 Occupation Tax Act as of March 8, 1963, and who, during the
7 3-year period immediately prior to March 8, 1963, or during a
8 continuous 3-year period part of which passed immediately
9 before and the remainder of which passes immediately after
10 March 8, 1963, has been so registered continuously and who is
11 determined by the Department not to have been either
12 delinquent or deficient in the payment of tax liability during
13 that period under this Act or under any other State tax law or
14 municipal or county tax ordinance or resolution under which
15 the certificate of registration that is issued to the
16 registrant under this Act will permit the registrant to engage
17 in business without registering separately under such other
18 law, ordinance or resolution, shall be considered to be a
19 Prior Continuous Compliance taxpayer. Also any taxpayer who
20 has, as verified by the Department, faithfully and
21 continuously complied with the condition of his bond or other
22 security under the provisions of this Act for a period of 3
23 consecutive years shall be considered to be a Prior Continuous
24 Compliance taxpayer.

25 Every Prior Continuous Compliance taxpayer shall be exempt
26 from all requirements under this Act concerning the furnishing

1 of a bond or other security as a condition precedent to his
2 being authorized to engage in the business of selling tangible
3 personal property at retail in this State. This exemption
4 shall continue for each such taxpayer until such time as he may
5 be determined by the Department to be delinquent in the filing
6 of any returns, or is determined by the Department (either
7 through the Department's issuance of a final assessment which
8 has become final under the Act, or by the taxpayer's filing of
9 a return which admits tax that is not paid to be due) to be
10 delinquent or deficient in the paying of any tax under this Act
11 or under any other State tax law or municipal or county tax
12 ordinance or resolution under which the certificate of
13 registration that is issued to the registrant under this Act
14 will permit the registrant to engage in business without
15 registering separately under such other law, ordinance or
16 resolution, at which time that taxpayer shall become subject
17 to all the financial responsibility requirements of this Act
18 and, as a condition of being allowed to continue to engage in
19 the business of selling tangible personal property at retail,
20 may be required to post bond or other acceptable security with
21 the Department covering liability which such taxpayer may
22 thereafter incur. Any taxpayer who fails to pay an admitted or
23 established liability under this Act may also be required to
24 post bond or other acceptable security with this Department
25 guaranteeing the payment of such admitted or established
26 liability.

1 No certificate of registration shall be issued to any
2 person who is in default to the State of Illinois for moneys
3 due under this Act or under any other State tax law or
4 municipal or county tax ordinance or resolution under which
5 the certificate of registration that is issued to the
6 applicant under this Act will permit the applicant to engage
7 in business without registering separately under such other
8 law, ordinance or resolution.

9 Any person aggrieved by any decision of the Department
10 under this Section may, within 20 days after notice of such
11 decision, protest and request a hearing, whereupon the
12 Department shall give notice to such person of the time and
13 place fixed for such hearing and shall hold a hearing in
14 conformity with the provisions of this Act and then issue its
15 final administrative decision in the matter to such person. In
16 the absence of such a protest within 20 days, the Department's
17 decision shall become final without any further determination
18 being made or notice given.

19 With respect to security other than bonds (upon which the
20 Department may sue in the event of a forfeiture), if the
21 taxpayer fails to pay, when due, any amount whose payment such
22 security guarantees, the Department shall, after such
23 liability is admitted by the taxpayer or established by the
24 Department through the issuance of a final assessment that has
25 become final under the law, convert the security which that
26 taxpayer has furnished into money for the State, after first

1 giving the taxpayer at least 10 days' written notice, by
2 registered or certified mail, to pay the liability or forfeit
3 such security to the Department. If the security consists of
4 stocks or bonds or other securities which are listed on a
5 public exchange, the Department shall sell such securities
6 through such public exchange. If the security consists of an
7 irrevocable bank letter of credit, the Department shall
8 convert the security in the manner provided for in the Uniform
9 Commercial Code. If the security consists of a bank
10 certificate of deposit, the Department shall convert the
11 security into money by demanding and collecting the amount of
12 such bank certificate of deposit from the bank which issued
13 such certificate. If the security consists of a type of stocks
14 or other securities which are not listed on a public exchange,
15 the Department shall sell such security to the highest and
16 best bidder after giving at least 10 days' notice of the date,
17 time and place of the intended sale by publication in the
18 "State Official Newspaper". If the Department realizes more
19 than the amount of such liability from the security, plus the
20 expenses incurred by the Department in converting the security
21 into money, the Department shall pay such excess to the
22 taxpayer who furnished such security, and the balance shall be
23 paid into the State Treasury.

24 The Department shall discharge any surety and shall
25 release and return any security deposited, assigned, pledged
26 or otherwise provided to it by a taxpayer under this Section

1 within 30 days after:

2 (1) such taxpayer becomes a Prior Continuous
3 Compliance taxpayer; or

4 (2) such taxpayer has ceased to collect receipts on
5 which he is required to remit tax to the Department, has
6 filed a final tax return, and has paid to the Department an
7 amount sufficient to discharge his remaining tax
8 liability, as determined by the Department, under this Act
9 and under every other State tax law or municipal or county
10 tax ordinance or resolution under which the certificate of
11 registration issued under this Act permits the registrant
12 to engage in business without registering separately under
13 such other law, ordinance or resolution. The Department
14 shall make a final determination of the taxpayer's
15 outstanding tax liability as expeditiously as possible
16 after his final tax return has been filed; if the
17 Department cannot make such final determination within 45
18 days after receiving the final tax return, within such
19 period it shall so notify the taxpayer, stating its
20 reasons therefor.

21 (Source: P.A. 102-40, eff. 6-25-21; 103-319, eff. 1-1-24.)

22 (35 ILCS 120/2b) (from Ch. 120, par. 441b)

23 Sec. 2b. The Department may, after notice and a hearing as
24 provided herein, revoke the certificate of registration of any
25 person who violates any of the provisions of this Act. Before

1 revocation of a certificate of registration the Department
2 shall, within 90 days after non-compliance and at least 7 days
3 prior to the date of the hearing, give the person so accused
4 notice in writing of the charge against him or her, and on the
5 date designated shall conduct a hearing upon this matter. The
6 lapse of such 90 day period shall not preclude the Department
7 from conducting revocation proceedings at a later date if
8 necessary. Any hearing held under this Section shall be
9 conducted by the Director of Revenue or by any officer or
10 employee of the Department designated, in writing, by the
11 Director of Revenue.

12 Upon the hearing of any such proceeding, the Director of
13 Revenue, or any officer or employee of the Department
14 designated, in writing, by the Director of Revenue, may
15 administer oaths and the Department may procure by its
16 subpoena the attendance of witnesses and, by its subpoena
17 duces tecum, the production of relevant books and papers. Any
18 circuit court, upon application either of the accused or of
19 the Department, may, by order duly entered, require the
20 attendance of witnesses and the production of relevant books
21 and papers, before the Department in any hearing relating to
22 the revocation of certificates of registration. Upon refusal
23 or neglect to obey the order of the court, the court may compel
24 obedience thereof by proceedings for contempt.

25 The Department may, by application to any circuit court,
26 obtain an injunction restraining any person who engages in the

1 business of selling tangible personal property at retail in
2 this State without a certificate of registration (either
3 because the certificate of registration has been revoked or
4 because of a failure to obtain a certificate of registration
5 in the first instance) from engaging in such business until
6 such person, as if he or she were a new applicant for a
7 certificate of registration, shall comply with all of the
8 conditions, restrictions and requirements of Section 2a of
9 this Act and qualify for and obtain a certificate of
10 registration. Upon refusal or neglect to obey the order of the
11 court, the court may compel obedience thereof by proceedings
12 for contempt.

13 It shall not be a defense in a proceeding before the
14 Department to revoke a certificate of registration issued
15 under the Act, or in any action by the Department to collect
16 any tax due under this Act, that the holder of the certificate
17 is a party to an installment payment agreement under Section
18 2a of this Act if the liability which is the basis of the
19 revocation proceeding, or the tax that is sought to be
20 collected: (1) was incurred after the date of the agreement
21 was approved by the Department; or (2) was incurred prior to
22 the date the agreement was approved by the Department, but was
23 not included in the agreement; or (3) was included in the
24 agreement, but the taxpayer is in default of the agreement.

25 If a person who is licensed as a retailer of alcoholic
26 liquor under the Liquor Control Act of 1934 has had his or her

1 certificate of registration revoked under this Section 2b,
2 then, pursuant to Section 7-6.5 of the Liquor Control Act of
3 1934, the Department shall file a notice with the Liquor
4 Control Commission that includes a certification, signed by
5 the Director of Revenue or his or her designee, attesting that
6 the person's certificate of registration has been revoked
7 after notice and an opportunity to be heard. The Department
8 shall also file a notice with the Liquor Control Commission
9 that includes a certification, signed by the Director of
10 Revenue or his or her designee, if the violation resulting in
11 the revocation has been remedied and the certificate of
12 registration has been reinstated by the Department.

13 (Source: P.A. 86-338; 86-383; 86-1028.)

14 Section 10. The Liquor Control Act of 1934 is amended by
15 adding Sections 1-3.45 and 7-6.5 as follows:

16 (235 ILCS 5/1-3.45 new)

17 Sec. 1-3.45. Inactive license. "Inactive license" means a
18 status of licensure in which the licensee holds a current
19 license under this Act but is prohibited from engaging in all
20 licensed activities because the licensee does not hold an
21 active certificate of registration issued by the Department of
22 Revenue pursuant to the Retailers' Occupation Tax Act.

23 (235 ILCS 5/7-6.5 new)

1 Sec. 7-6.5. Inactive licenses; certificate of
2 registration.

3 (a) If any licensee authorized to sell alcoholic liquor at
4 retail has had the renewal of the licensee's certificate of
5 registration denied by the Department of Revenue pursuant to
6 Section 2a of the Retailers' Occupation Tax Act or if such a
7 licensee's certificate of registration has been revoked by the
8 Department of Revenue pursuant to Section 2b of the Retailers'
9 Occupation Tax Act, then the Department of Revenue shall file
10 a notice with the Commission that includes a certification,
11 signed by Director of Revenue or his or her designee,
12 attesting that the renewal of the person's certificate of
13 registration has been denied or that the person's certificate
14 of registration has been revoked, as applicable, after notice
15 and an opportunity to be heard. Notwithstanding any provision
16 of this Act to the contrary, upon receipt of a notice under
17 this subsection (a) that a licensee's certificate of
18 registration has not been renewed or has been revoked, the
19 Commission shall inactivate the license of that licensee until
20 the Department of Revenue notifies the Commission that the
21 violation resulting in the nonrenewal or revocation has been
22 remedied and the certificate of registration has been
23 reinstated by the Department of Revenue.

24 (b) Distributors licensed under this Act are prohibited
25 from selling alcoholic liquor to retailers with an inactive
26 license under this Section, and those retailers are prohibited

1 from purchasing alcoholic liquor from distributors and from
2 engaging in any other activity licensed under this Act pending
3 notification by the Department of Revenue that the nonrenewal
4 or revocation has been resolved to the Department of Revenue's
5 satisfaction.

6 Section 95. No acceleration or delay. Where this Act makes
7 changes in a statute that is represented in this Act by text
8 that is not yet or no longer in effect (for example, a Section
9 represented by multiple versions), the use of that text does
10 not accelerate or delay the taking effect of (i) the changes
11 made by this Act or (ii) provisions derived from any other
12 Public Act.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.