



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004
HB4234

Introduced 1/28/2004, by Robert F. Flider

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-85
35 ILCS 110/3-70
35 ILCS 115/9
35 ILCS 120/3

from Ch. 120, par. 439.109
from Ch. 120, par. 442

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Reinstates the manufacturer's purchase credit for a 2-year period beginning on July 1, 2004. Effective immediately.

LRB093 16236 SJM 41870 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning taxes.

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

4 Section 5. The Use Tax Act is amended by changing Section
5 3-85 as follows:

6 (35 ILCS 105/3-85)

7 Sec. 3-85. Manufacturer's Purchase Credit. For purchases
8 of machinery and equipment made on and after July 1, 2004 and
9 through June 30, 2006 ~~January 1, 1995 and through June 30,~~
10 ~~2003~~, a purchaser of manufacturing machinery and equipment that
11 qualifies for the exemption provided by paragraph (18) of
12 Section 3-5 of this Act earns a credit in an amount equal to a
13 fixed percentage of the tax which would have been incurred
14 under this Act on those purchases. For purchases of graphic
15 arts machinery and equipment made on or after July 1, 2004 and
16 through June 30, 2006 ~~1996 and through June 30, 2003~~, a
17 purchaser of graphic arts machinery and equipment that
18 qualifies for the exemption provided by paragraph (6) of
19 Section 3-5 of this Act earns a credit in an amount equal to a
20 fixed percentage of the tax that would have been incurred under
21 this Act on those purchases. The credit earned for purchases of
22 manufacturing machinery and equipment or graphic arts
23 machinery and equipment shall be referred to as the
24 Manufacturer's Purchase Credit. A graphic arts producer is a
25 person engaged in graphic arts production as defined in Section
26 2-30 of the Retailers' Occupation Tax Act. Beginning July 1,
27 1996, all references in this Section to manufacturers or
28 manufacturing shall also be deemed to refer to graphic arts
29 producers or graphic arts production.

30 The amount of credit shall be a percentage of the tax that
31 would have been incurred on the purchase of manufacturing
32 machinery and equipment or graphic arts machinery and equipment

1 if the exemptions provided by paragraph (6) or paragraph (18)
2 of Section 3-5 of this Act had not been applicable. The
3 percentage shall be as follows:

4 (1) 15% for purchases made on or before June 30, 1995.

5 (2) 25% for purchases made after June 30, 1995, and on
6 or before June 30, 1996.

7 (3) 40% for purchases made after June 30, 1996, and on
8 or before June 30, 1997.

9 (4) 50% for purchases made on or after July 1, 1997.

10 A purchaser of production related tangible personal
11 property desiring to use the Manufacturer's Purchase Credit
12 shall certify to the seller prior to October 1, 2006 ~~2003~~ that
13 the purchaser is satisfying all or part of the liability under
14 the Use Tax Act or the Service Use Tax Act that is due on the
15 purchase of the production related tangible personal property
16 by use of Manufacturer's Purchase Credit. The Manufacturer's
17 Purchase Credit certification must be dated and shall include
18 the name and address of the purchaser, the purchaser's
19 registration number, if registered, the credit being applied,
20 and a statement that the State Use Tax or Service Use Tax
21 liability is being satisfied with the manufacturer's or graphic
22 arts producer's accumulated purchase credit. Certification may
23 be incorporated into the manufacturer's or graphic arts
24 producer's purchase order. Manufacturer's Purchase Credit
25 certification provided by the manufacturer or graphic arts
26 producer prior to October 1, 2006 ~~2003~~ may be used to satisfy
27 the retailer's or serviceman's liability under the Retailers'
28 Occupation Tax Act or Service Occupation Tax Act for the credit
29 claimed, not to exceed 6.25% of the receipts subject to tax
30 from a qualifying purchase, but only if the retailer or
31 serviceman reports the Manufacturer's Purchase Credit claimed
32 as required by the Department. A Manufacturer's Purchase Credit
33 reported on any original or amended return filed under this Act
34 after October 20, 2006 ~~2003~~ shall be disallowed. The
35 Manufacturer's Purchase Credit earned by purchase of exempt
36 manufacturing machinery and equipment or graphic arts

1 machinery and equipment is a non-transferable credit. A
2 manufacturer or graphic arts producer that enters into a
3 contract involving the installation of tangible personal
4 property into real estate within a manufacturing or graphic
5 arts production facility may, prior to October 1, 2006 ~~2003~~,
6 authorize a construction contractor to utilize credit
7 accumulated by the manufacturer or graphic arts producer to
8 purchase the tangible personal property. A manufacturer or
9 graphic arts producer intending to use accumulated credit to
10 purchase such tangible personal property shall execute a
11 written contract authorizing the contractor to utilize a
12 specified dollar amount of credit. The contractor shall
13 furnish, prior to October 1, 2006 ~~2003~~, the supplier with the
14 manufacturer's or graphic arts producer's name, registration
15 or resale number, and a statement that a specific amount of the
16 Use Tax or Service Use Tax liability, not to exceed 6.25% of
17 the selling price, is being satisfied with the credit. The
18 manufacturer or graphic arts producer shall remain liable to
19 timely report all information required by the annual Report of
20 Manufacturer's Purchase Credit Used for all credit utilized by
21 a construction contractor.

22 The Manufacturer's Purchase Credit may be used to satisfy
23 liability under the Use Tax Act or the Service Use Tax Act due
24 on the purchase of production related tangible personal
25 property (including purchases by a manufacturer, by a graphic
26 arts producer, or by a lessor who rents or leases the use of
27 the property to a manufacturer or graphic arts producer) that
28 does not otherwise qualify for the manufacturing machinery and
29 equipment exemption or the graphic arts machinery and equipment
30 exemption. "Production related tangible personal property"
31 means (i) all tangible personal property used or consumed by
32 the purchaser in a manufacturing facility in which a
33 manufacturing process described in Section 2-45 of the
34 Retailers' Occupation Tax Act takes place, including tangible
35 personal property purchased for incorporation into real estate
36 within a manufacturing facility and including, but not limited

1 to, tangible personal property used or consumed in activities
2 such as preproduction material handling, receiving, quality
3 control, inventory control, storage, staging, and packaging
4 for shipping and transportation purposes; (ii) all tangible
5 personal property used or consumed by the purchaser in a
6 graphic arts facility in which graphic arts production as
7 described in Section 2-30 of the Retailers' Occupation Tax Act
8 takes place, including tangible personal property purchased
9 for incorporation into real estate within a graphic arts
10 facility and including, but not limited to, all tangible
11 personal property used or consumed in activities such as
12 graphic arts preliminary or pre-press production,
13 pre-production material handling, receiving, quality control,
14 inventory control, storage, staging, sorting, labeling,
15 mailing, tying, wrapping, and packaging; and (iii) all tangible
16 personal property used or consumed by the purchaser for
17 research and development. "Production related tangible
18 personal property" does not include (i) tangible personal
19 property used, within or without a manufacturing facility, in
20 sales, purchasing, accounting, fiscal management, marketing,
21 personnel recruitment or selection, or landscaping or (ii)
22 tangible personal property required to be titled or registered
23 with a department, agency, or unit of federal, state, or local
24 government. The Manufacturer's Purchase Credit may be used,
25 prior to October 1, 2006 ~~2003~~, to satisfy the tax arising
26 either from the purchase of machinery and equipment on or after
27 January 1, 1995 for which the exemption provided by paragraph
28 (18) of Section 3-5 of this Act was erroneously claimed, or the
29 purchase of machinery and equipment on or after July 1, 1996
30 for which the exemption provided by paragraph (6) of Section
31 3-5 of this Act was erroneously claimed, but not in
32 satisfaction of penalty, if any, and interest for failure to
33 pay the tax when due. A purchaser of production related
34 tangible personal property who is required to pay Illinois Use
35 Tax or Service Use Tax on the purchase directly to the
36 Department may, prior to October 1, 2006 ~~2003~~, utilize the

1 Manufacturer's Purchase Credit in satisfaction of the tax
2 arising from that purchase, but not in satisfaction of penalty
3 and interest. A purchaser who uses the Manufacturer's Purchase
4 Credit to purchase property which is later determined not to be
5 production related tangible personal property may be liable for
6 tax, penalty, and interest on the purchase of that property as
7 of the date of purchase but shall be entitled to use the
8 disallowed Manufacturer's Purchase Credit, so long as it has
9 not expired and is used prior to October 1, 2006 ~~2003~~, on
10 qualifying purchases of production related tangible personal
11 property not previously subject to credit usage. The
12 Manufacturer's Purchase Credit earned by a manufacturer or
13 graphic arts producer expires the last day of the second
14 calendar year following the calendar year in which the credit
15 arose. No Manufacturer's Purchase Credit may be used after
16 September 30, 2006 ~~2003~~ regardless of when that credit was
17 earned.

18 A purchaser earning Manufacturer's Purchase Credit shall
19 sign and file an annual Report of Manufacturer's Purchase
20 Credit Earned for each calendar year no later than the last day
21 of the sixth month following the calendar year in which a
22 Manufacturer's Purchase Credit is earned. A Report of
23 Manufacturer's Purchase Credit Earned shall be filed on forms
24 as prescribed or approved by the Department and shall state,
25 for each month of the calendar year: (i) the total purchase
26 price of all purchases of exempt manufacturing or graphic arts
27 machinery on which the credit was earned; (ii) the total State
28 Use Tax or Service Use Tax which would have been due on those
29 items; (iii) the percentage used to calculate the amount of
30 credit earned; (iv) the amount of credit earned; and (v) such
31 other information as the Department may reasonably require. A
32 purchaser earning Manufacturer's Purchase Credit shall
33 maintain records which identify, as to each purchase of
34 manufacturing or graphic arts machinery and equipment on which
35 the purchaser earned Manufacturer's Purchase Credit, the
36 vendor (including, if applicable, either the vendor's

1 registration number or Federal Employer Identification
2 Number), the purchase price, and the amount of Manufacturer's
3 Purchase Credit earned on each purchase.

4 A purchaser using Manufacturer's Purchase Credit shall
5 sign and file an annual Report of Manufacturer's Purchase
6 Credit Used for each calendar year no later than the last day
7 of the sixth month following the calendar year in which a
8 Manufacturer's Purchase Credit is used. A Report of
9 Manufacturer's Purchase Credit Used shall be filed on forms as
10 prescribed or approved by the Department and shall state, for
11 each month of the calendar year: (i) the total purchase price
12 of production related tangible personal property purchased
13 from Illinois suppliers; (ii) the total purchase price of
14 production related tangible personal property purchased from
15 out-of-state suppliers; (iii) the total amount of credit used
16 during such month; and (iv) such other information as the
17 Department may reasonably require. A purchaser using
18 Manufacturer's Purchase Credit shall maintain records that
19 identify, as to each purchase of production related tangible
20 personal property on which the purchaser used Manufacturer's
21 Purchase Credit, the vendor (including, if applicable, either
22 the vendor's registration number or Federal Employer
23 Identification Number), the purchase price, and the amount of
24 Manufacturer's Purchase Credit used on each purchase.

25 No annual report shall be filed before May 1, 1996 or after
26 June 30, 2007 ~~2004~~. A purchaser that fails to file an annual
27 Report of Manufacturer's Purchase Credit Earned or an annual
28 Report of Manufacturer's Purchase Credit Used by the last day
29 of the sixth month following the end of the calendar year shall
30 forfeit all Manufacturer's Purchase Credit for that calendar
31 year unless it establishes that its failure to file was due to
32 reasonable cause. Manufacturer's Purchase Credit reports may
33 be amended to report and claim credit on qualifying purchases
34 not previously reported at any time before the credit would
35 have expired, unless both the Department and the purchaser have
36 agreed to an extension of the statute of limitations for the

1 issuance of a notice of tax liability as provided in Section 4
2 of the Retailers' Occupation Tax Act. If the time for
3 assessment or refund has been extended, then amended reports
4 for a calendar year may be filed at any time prior to the date
5 to which the statute of limitations for the calendar year or
6 portion thereof has been extended. No Manufacturer's Purchase
7 Credit report filed with the Department for periods prior to
8 January 1, 1995 shall be approved. Manufacturer's Purchase
9 Credit claimed on an amended report may be used, until October
10 1, 2006 ~~2003~~, to satisfy tax liability under the Use Tax Act or
11 the Service Use Tax Act (i) on qualifying purchases of
12 production related tangible personal property made after the
13 date the amended report is filed or (ii) assessed by the
14 Department on qualifying purchases of production related
15 tangible personal property made in the case of manufacturers on
16 or after January 1, 1995, or in the case of graphic arts
17 producers on or after July 1, 1996.

18 If the purchaser is not the manufacturer or a graphic arts
19 producer, but rents or leases the use of the property to a
20 manufacturer or graphic arts producer, the purchaser may earn,
21 report, and use Manufacturer's Purchase Credit in the same
22 manner as a manufacturer or graphic arts producer.

23 A purchaser shall not be entitled to any Manufacturer's
24 Purchase Credit for a purchase that is required to be reported
25 and is not timely reported as provided in this Section. A
26 purchaser remains liable for (i) any tax that was satisfied by
27 use of a Manufacturer's Purchase Credit, as of the date of
28 purchase, if that use is not timely reported as required in
29 this Section and (ii) for any applicable penalties and interest
30 for failing to pay the tax when due. No Manufacturer's Purchase
31 Credit may be used after September 30, 2006 ~~2003~~ to satisfy any
32 tax liability imposed under this Act, including any audit
33 liability.

34 (Source: P.A. 93-24, eff. 6-20-03.)

35 Section 10. The Service Use Tax Act is amended by changing

1 Section 3-70 as follows:

2 (35 ILCS 110/3-70)

3 Sec. 3-70. Manufacturer's Purchase Credit. For purchases
4 of machinery and equipment made on and after July 1, 2004 and
5 through June 30, 2006 ~~January 1, 1995 and through June 30,~~
6 ~~2003~~, a purchaser of manufacturing machinery and equipment that
7 qualifies for the exemption provided by Section 2 of this Act
8 earns a credit in an amount equal to a fixed percentage of the
9 tax which would have been incurred under this Act on those
10 purchases. For purchases of graphic arts machinery and
11 equipment made on or after July 1, 2004 and through June 30,
12 2006 ~~1996 and through June 30, 2003~~, a purchase of graphic arts
13 machinery and equipment that qualifies for the exemption
14 provided by paragraph (5) of Section 3-5 of this Act earns a
15 credit in an amount equal to a fixed percentage of the tax that
16 would have been incurred under this Act on those purchases. The
17 credit earned for the purchase of manufacturing machinery and
18 equipment and graphic arts machinery and equipment shall be
19 referred to as the Manufacturer's Purchase Credit. A graphic
20 arts producer is a person engaged in graphic arts production as
21 defined in Section 3-30 of the Service Occupation Tax Act.
22 Beginning July 1, 1996, all references in this Section to
23 manufacturers or manufacturing shall also refer to graphic arts
24 producers or graphic arts production.

25 The amount of credit shall be a percentage of the tax that
26 would have been incurred on the purchase of the manufacturing
27 machinery and equipment or graphic arts machinery and equipment
28 if the exemptions provided by Section 2 or paragraph (5) of
29 Section 3-5 of this Act had not been applicable.

30 All purchases prior to October 1, 2006 ~~2003~~ of
31 manufacturing machinery and equipment and graphic arts
32 machinery and equipment that qualify for the exemptions
33 provided by paragraph (5) of Section 2 or paragraph (5) of
34 Section 3-5 of this Act qualify for the credit without regard
35 to whether the serviceman elected, or could have elected, under

1 paragraph (7) of Section 2 of this Act to exclude the
2 transaction from this Act. If the serviceman's billing to the
3 service customer separately states a selling price for the
4 exempt manufacturing machinery or equipment or the exempt
5 graphic arts machinery and equipment, the credit shall be
6 calculated, as otherwise provided herein, based on that selling
7 price. If the serviceman's billing does not separately state a
8 selling price for the exempt manufacturing machinery and
9 equipment or the exempt graphic arts machinery and equipment,
10 the credit shall be calculated, as otherwise provided herein,
11 based on 50% of the entire billing. If the serviceman contracts
12 to design, develop, and produce special order manufacturing
13 machinery and equipment or special order graphic arts machinery
14 and equipment, and the billing does not separately state a
15 selling price for such special order machinery and equipment,
16 the credit shall be calculated, as otherwise provided herein,
17 based on 50% of the entire billing. The provisions of this
18 paragraph are effective for purchases made on or after January
19 1, 1995.

20 The percentage shall be as follows:

21 (1) 15% for purchases made on or before June 30, 1995.

22 (2) 25% for purchases made after June 30, 1995, and on
23 or before June 30, 1996.

24 (3) 40% for purchases made after June 30, 1996, and on
25 or before June 30, 1997.

26 (4) 50% for purchases made on or after July 1, 1997.

27 A purchaser of production related tangible personal
28 property desiring to use the Manufacturer's Purchase Credit
29 shall certify to the seller prior to October 1, 2006 ~~2003~~ that
30 the purchaser is satisfying all or part of the liability under
31 the Use Tax Act or the Service Use Tax Act that is due on the
32 purchase of the production related tangible personal property
33 by use of a Manufacturer's Purchase Credit. The Manufacturer's
34 Purchase Credit certification must be dated and shall include
35 the name and address of the purchaser, the purchaser's
36 registration number, if registered, the credit being applied,

1 and a statement that the State Use Tax or Service Use Tax
2 liability is being satisfied with the manufacturer's or graphic
3 arts producer's accumulated purchase credit. Certification may
4 be incorporated into the manufacturer's or graphic arts
5 producer's purchase order. Manufacturer's Purchase Credit
6 certification provided by the manufacturer or graphic arts
7 producer prior to October 1, 2006 ~~2003~~ may be used to satisfy
8 the retailer's or serviceman's liability under the Retailers'
9 Occupation Tax Act or Service Occupation Tax Act for the credit
10 claimed, not to exceed 6.25% of the receipts subject to tax
11 from a qualifying purchase, but only if the retailer or
12 serviceman reports the Manufacturer's Purchase Credit claimed
13 as required by the Department. A Manufacturer's Purchase Credit
14 reported on any original or amended return filed under this Act
15 after October 20, 2006 ~~2003~~ shall be disallowed. The
16 Manufacturer's Purchase Credit earned by purchase of exempt
17 manufacturing machinery and equipment or graphic arts
18 machinery and equipment is a non-transferable credit. A
19 manufacturer or graphic arts producer that enters into a
20 contract involving the installation of tangible personal
21 property into real estate within a manufacturing or graphic
22 arts production facility, prior to October 1, 2006 ~~2003~~, may
23 authorize a construction contractor to utilize credit
24 accumulated by the manufacturer or graphic arts producer to
25 purchase the tangible personal property. A manufacturer or
26 graphic arts producer intending to use accumulated credit to
27 purchase such tangible personal property shall execute a
28 written contract authorizing the contractor to utilize a
29 specified dollar amount of credit. The contractor shall
30 furnish, prior to October 1, 2006 ~~2003~~, the supplier with the
31 manufacturer's or graphic arts producer's name, registration
32 or resale number, and a statement that a specific amount of the
33 Use Tax or Service Use Tax liability, not to exceed 6.25% of
34 the selling price, is being satisfied with the credit. The
35 manufacturer or graphic arts producer shall remain liable to
36 timely report all information required by the annual Report of

1 Manufacturer's Purchase Credit Used for credit utilized by a
2 construction contractor.

3 The Manufacturer's Purchase Credit may be used to satisfy
4 liability under the Use Tax Act or the Service Use Tax Act due
5 on the purchase of production related tangible personal
6 property (including purchases by a manufacturer, by a graphic
7 arts producer, or a lessor who rents or leases the use of the
8 property to a manufacturer or graphic arts producer) that does
9 not otherwise qualify for the manufacturing machinery and
10 equipment exemption or the graphic arts machinery and equipment
11 exemption. "Production related tangible personal property"
12 means (i) all tangible personal property used or consumed by
13 the purchaser in a manufacturing facility in which a
14 manufacturing process described in Section 2-45 of the
15 Retailers' Occupation Tax Act takes place, including tangible
16 personal property purchased for incorporation into real estate
17 within a manufacturing facility and including, but not limited
18 to, tangible personal property used or consumed in activities
19 such as pre-production material handling, receiving, quality
20 control, inventory control, storage, staging, and packaging
21 for shipping and transportation purposes; (ii) all tangible
22 personal property used or consumed by the purchaser in a
23 graphic arts facility in which graphic arts production as
24 described in Section 2-30 of the Retailers' Occupation Tax Act
25 takes place, including tangible personal property purchased
26 for incorporation into real estate within a graphic arts
27 facility and including, but not limited to, all tangible
28 personal property used or consumed in activities such as
29 graphic arts preliminary or pre-press production,
30 pre-production material handling, receiving, quality control,
31 inventory control, storage, staging, sorting, labeling,
32 mailing, tying, wrapping, and packaging; and (iii) all tangible
33 personal property used or consumed by the purchaser for
34 research and development. "Production related tangible
35 personal property" does not include (i) tangible personal
36 property used, within or without a manufacturing or graphic

1 arts facility, in sales, purchasing, accounting, fiscal
2 management, marketing, personnel recruitment or selection, or
3 landscaping or (ii) tangible personal property required to be
4 titled or registered with a department, agency, or unit of
5 federal, state, or local government. The Manufacturer's
6 Purchase Credit may be used, prior to October 1, 2006 ~~2003~~, to
7 satisfy the tax arising either from the purchase of machinery
8 and equipment on or after January 1, 1995 for which the
9 manufacturing machinery and equipment exemption provided by
10 Section 2 of this Act was erroneously claimed, or the purchase
11 of machinery and equipment on or after July 1, 1996 for which
12 the exemption provided by paragraph (5) of Section 3-5 of this
13 Act was erroneously claimed, but not in satisfaction of
14 penalty, if any, and interest for failure to pay the tax when
15 due. A purchaser of production related tangible personal
16 property who is required to pay Illinois Use Tax or Service Use
17 Tax on the purchase directly to the Department may, prior to
18 October 1, 2006 ~~2003~~, utilize the Manufacturer's Purchase
19 Credit in satisfaction of the tax arising from that purchase,
20 but not in satisfaction of penalty and interest. A purchaser
21 who uses the Manufacturer's Purchase Credit to purchase
22 property which is later determined not to be production related
23 tangible personal property may be liable for tax, penalty, and
24 interest on the purchase of that property as of the date of
25 purchase but shall be entitled to use the disallowed
26 Manufacturer's Purchase Credit, so long as it has not expired
27 and is used prior to October 1, 2006 ~~2003~~, on qualifying
28 purchases of production related tangible personal property not
29 previously subject to credit usage. The Manufacturer's
30 Purchase Credit earned by a manufacturer or graphic arts
31 producer expires the last day of the second calendar year
32 following the calendar year in which the credit arose. No
33 Manufacturer's Purchase Credit may be used after September 30,
34 2006 ~~2003~~ regardless of when that credit was earned.

35 A purchaser earning Manufacturer's Purchase Credit shall
36 sign and file an annual Report of Manufacturer's Purchase

1 Credit Earned for each calendar year no later than the last day
2 of the sixth month following the calendar year in which a
3 Manufacturer's Purchase Credit is earned. A Report of
4 Manufacturer's Purchase Credit Earned shall be filed on forms
5 as prescribed or approved by the Department and shall state,
6 for each month of the calendar year: (i) the total purchase
7 price of all purchases of exempt manufacturing or graphic arts
8 machinery on which the credit was earned; (ii) the total State
9 Use Tax or Service Use Tax which would have been due on those
10 items; (iii) the percentage used to calculate the amount of
11 credit earned; (iv) the amount of credit earned; and (v) such
12 other information as the Department may reasonably require. A
13 purchaser earning Manufacturer's Purchase Credit shall
14 maintain records which identify, as to each purchase of
15 manufacturing or graphic arts machinery and equipment on which
16 the purchaser earned Manufacturer's Purchase Credit, the
17 vendor (including, if applicable, either the vendor's
18 registration number or Federal Employer Identification
19 Number), the purchase price, and the amount of Manufacturer's
20 Purchase Credit earned on each purchase.

21 A purchaser using Manufacturer's Purchase Credit shall
22 sign and file an annual Report of Manufacturer's Purchase
23 Credit Used for each calendar year no later than the last day
24 of the sixth month following the calendar year in which a
25 Manufacturer's Purchase Credit is used. A Report of
26 Manufacturer's Purchase Credit Used shall be filed on forms as
27 prescribed or approved by the Department and shall state, for
28 each month of the calendar year: (i) the total purchase price
29 of production related tangible personal property purchased
30 from Illinois suppliers; (ii) the total purchase price of
31 production related tangible personal property purchased from
32 out-of-state suppliers; (iii) the total amount of credit used
33 during such month; and (iv) such other information as the
34 Department may reasonably require. A purchaser using
35 Manufacturer's Purchase Credit shall maintain records that
36 identify, as to each purchase of production related tangible

1 personal property on which the purchaser used Manufacturer's
2 Purchase Credit, the vendor (including, if applicable, either
3 the vendor's registration number or Federal Employer
4 Identification Number), the purchase price, and the amount of
5 Manufacturer's Purchase Credit used on each purchase.

6 No annual report shall be filed before May 1, 1996 or after
7 June 30, 2007 ~~2004~~. A purchaser that fails to file an annual
8 Report of Manufacturer's Purchase Credit Earned or an annual
9 Report of Manufacturer's Purchase Credit Used by the last day
10 of the sixth month following the end of the calendar year shall
11 forfeit all Manufacturer's Purchase Credit for that calendar
12 year unless it establishes that its failure to file was due to
13 reasonable cause. Manufacturer's Purchase Credit reports may
14 be amended to report and claim credit on qualifying purchases
15 not previously reported at any time before the credit would
16 have expired, unless both the Department and the purchaser have
17 agreed to an extension of the statute of limitations for the
18 issuance of a notice of tax liability as provided in Section 4
19 of the Retailers' Occupation Tax Act. If the time for
20 assessment or refund has been extended, then amended reports
21 for a calendar year may be filed at any time prior to the date
22 to which the statute of limitations for the calendar year or
23 portion thereof has been extended. No Manufacturer's Purchase
24 Credit report filed with the Department for periods prior to
25 January 1, 1995 shall be approved. Manufacturer's Purchase
26 Credit claimed on an amended report may be used, prior to
27 October 1, 2006 ~~2003~~, to satisfy tax liability under the Use
28 Tax Act or the Service Use Tax Act (i) on qualifying purchases
29 of production related tangible personal property made after the
30 date the amended report is filed or (ii) assessed by the
31 Department on qualifying purchases of production related
32 tangible personal property made in the case of manufacturers on
33 or after January 1, 1995, or in the case of graphic arts
34 producers on or after July 1, 1996.

35 If the purchaser is not the manufacturer or a graphic arts
36 producer, but rents or leases the use of the property to a

1 manufacturer or a graphic arts producer, the purchaser may
2 earn, report, and use Manufacturer's Purchase Credit in the
3 same manner as a manufacturer or graphic arts producer.

4 A purchaser shall not be entitled to any Manufacturer's
5 Purchase Credit for a purchase that is required to be reported
6 and is not timely reported as provided in this Section. A
7 purchaser remains liable for (i) any tax that was satisfied by
8 use of a Manufacturer's Purchase Credit, as of the date of
9 purchase, if that use is not timely reported as required in
10 this Section and (ii) for any applicable penalties and interest
11 for failing to pay the tax when due. No Manufacturer's Purchase
12 Credit may be used after September 30, 2006 ~~2003~~ to satisfy any
13 tax liability imposed under this Act, including any audit
14 liability.

15 (Source: P.A. 93-24, eff. 6-20-03.)

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

18 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

19 Sec. 9. Each serviceman required or authorized to collect
20 the tax herein imposed shall pay to the Department the amount
21 of such tax at the time when he is required to file his return
22 for the period during which such tax was collectible, less a
23 discount of 2.1% prior to January 1, 1990, and 1.75% on and
24 after January 1, 1990, or \$5 per calendar year, whichever is
25 greater, which is allowed to reimburse the serviceman for
26 expenses incurred in collecting the tax, keeping records,
27 preparing and filing returns, remitting the tax and supplying
28 data to the Department on request.

29 Where such tangible personal property is sold under a
30 conditional sales contract, or under any other form of sale
31 wherein the payment of the principal sum, or a part thereof, is
32 extended beyond the close of the period for which the return is
33 filed, the serviceman, in collecting the tax may collect, for
34 each tax return period, only the tax applicable to the part of

1 the selling price actually received during such tax return
2 period.

3 Except as provided hereinafter in this Section, on or
4 before the twentieth day of each calendar month, such
5 serviceman shall file a return for the preceding calendar month
6 in accordance with reasonable rules and regulations to be
7 promulgated by the Department of Revenue. Such return shall be
8 filed on a form prescribed by the Department and shall contain
9 such information as the Department may reasonably require.

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 business as a serviceman in this State;
- 20 3. The total amount of taxable receipts received by him
21 during the preceding calendar month, including receipts
22 from charge and time sales, but less all deductions allowed
23 by law;
- 24 4. The amount of credit provided in Section 2d of this
25 Act;
- 26 5. The amount of tax due;
- 27 5-5. The signature of the taxpayer; and
- 28 6. Such other reasonable information as the Department
29 may require.

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

34 After July 1, 2004 and prior to October 1, 2006 ~~2003~~, a
35 serviceman may accept a Manufacturer's Purchase Credit
36 certification from a purchaser in satisfaction of Service Use

1 Tax as provided in Section 3-70 of the Service Use Tax Act if
2 the purchaser provides the appropriate documentation as
3 required by Section 3-70 of the Service Use Tax Act. A
4 Manufacturer's Purchase Credit certification, accepted prior
5 to October 1, 2006 ~~2003~~ by a serviceman as provided in Section
6 3-70 of the Service Use Tax Act, may be used by that serviceman
7 to satisfy Service Occupation Tax liability in the amount
8 claimed in the certification, not to exceed 6.25% of the
9 receipts subject to tax from a qualifying purchase. A
10 Manufacturer's Purchase Credit reported on any original or
11 amended return filed under this Act after October 20, 2006 ~~2003~~
12 shall be disallowed. No Manufacturer's Purchase Credit may be
13 used after September 30, 2006 ~~2003~~ to satisfy any tax liability
14 imposed under this Act, including any audit liability.

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

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

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

32 Notwithstanding any other provision in this Act concerning
33 the time within which a serviceman may file his return, in the
34 case of any serviceman who ceases to engage in a kind of
35 business which makes him responsible for filing returns under
36 this Act, such serviceman shall file a final return under this

1 Act with the Department not more than 1 month after
2 discontinuing such business.

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

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

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

36 All taxpayers required to make payment by electronic funds

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

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

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

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

31 Where the serviceman has more than one business registered
32 with the Department under separate registrations hereunder,
33 such serviceman shall file separate returns for each registered
34 business.

35 Beginning January 1, 1990, each month the Department shall
36 pay into the Local Government Tax Fund the revenue realized for

1 the preceding month from the 1% tax on sales of food for human
2 consumption which is to be consumed off the premises where it
3 is sold (other than alcoholic beverages, soft drinks and food
4 which has been prepared for immediate consumption) and
5 prescription and nonprescription medicines, drugs, medical
6 appliances and insulin, urine testing materials, syringes and
7 needles used by diabetics.

8 Beginning January 1, 1990, each month the Department shall
9 pay into the County and Mass Transit District Fund 4% of the
10 revenue realized for the preceding month from the 6.25% general
11 rate.

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

16 Beginning January 1, 1990, each month the Department shall
17 pay into the Local Government Tax Fund 16% of the revenue
18 realized for the preceding month from the 6.25% general rate on
19 transfers of tangible personal property.

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

24 Of the remainder of the moneys received by the Department
25 pursuant to this Act, (a) 1.75% thereof shall be paid into the
26 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
27 and after July 1, 1989, 3.8% thereof shall be paid into the
28 Build Illinois Fund; provided, however, that if in any fiscal
29 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
30 may be, of the moneys received by the Department and required
31 to be paid into the Build Illinois Fund pursuant to Section 3
32 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
33 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
34 Service Occupation Tax Act, such Acts being hereinafter called
35 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
36 may be, of moneys being hereinafter called the "Tax Act

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

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

29	Fiscal Year	Total
		Deposit
30	1993	\$0
31	1994	53,000,000
32	1995	58,000,000
33	1996	61,000,000
34	1997	64,000,000
35	1998	68,000,000

1	1999	71,000,000
2	2000	75,000,000
3	2001	80,000,000
4	2002	93,000,000
5	2003	99,000,000
6	2004	103,000,000
7	2005	108,000,000
8	2006	113,000,000
9	2007	119,000,000
10	2008	126,000,000
11	2009	132,000,000
12	2010	139,000,000
13	2011	146,000,000
14	2012	153,000,000
15	2013	161,000,000
16	2014	170,000,000
17	2015	179,000,000
18	2016	189,000,000
19	2017	199,000,000
20	2018	210,000,000
21	2019	221,000,000
22	2020	233,000,000
23	2021	246,000,000
24	2022	260,000,000
25	2023 and	275,000,000

26 each fiscal year
27 thereafter that bonds
28 are outstanding under
29 Section 13.2 of the
30 Metropolitan Pier and
31 Exposition Authority Act,
32 but not after fiscal year 2042.

33 Beginning July 20, 1993 and in each month of each fiscal
34 year thereafter, one-eighth of the amount requested in the
35 certificate of the Chairman of the Metropolitan Pier and
36 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 Deposit",
9 has been deposited.

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

18 Subject to payment of amounts into 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, beginning with the receipt of the first report of
22 taxes paid by an eligible business and continuing for a 25-year
23 period, the Department shall each month pay into the Energy
24 Infrastructure Fund 80% of the net revenue realized from the
25 6.25% general rate on the selling price of Illinois-mined coal
26 that was sold to an eligible business. For purposes of this
27 paragraph, the term "eligible business" means a new electric
28 generating facility certified pursuant to Section 605-332 of
29 the Department of Commerce and Economic Opportunity ~~Community~~
30 ~~Affairs~~ Law of the Civil Administrative Code of Illinois.

31 Remaining moneys received by the Department pursuant to
32 this Act shall be paid into the General Revenue Fund of the
33 State Treasury.

34 The Department may, upon separate written notice to a
35 taxpayer, require the taxpayer to prepare and file with the
36 Department on a form prescribed by the Department within not

1 less than 60 days after receipt of the notice an annual
2 information return for the tax year specified in the notice.
3 Such annual return to the Department shall include a statement
4 of gross receipts as shown by the taxpayer's last Federal
5 income tax return. If the total receipts of the business as
6 reported in the Federal income tax return do not agree with the
7 gross receipts reported to the Department of Revenue for the
8 same period, the taxpayer shall attach to his annual return a
9 schedule showing a reconciliation of the 2 amounts and the
10 reasons for the difference. The taxpayer's annual return to the
11 Department shall also disclose the cost of goods sold by the
12 taxpayer during the year covered by such return, opening and
13 closing inventories of such goods for such year, cost of goods
14 used from stock or taken from stock and given away by the
15 taxpayer during such year, pay roll information of the
16 taxpayer's business during such year and any additional
17 reasonable information which the Department deems would be
18 helpful in determining the accuracy of the monthly, quarterly
19 or annual returns filed by such taxpayer as hereinbefore
20 provided for in this Section.

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

24 (i) Until January 1, 1994, the taxpayer shall be liable
25 for a penalty equal to 1/6 of 1% of the tax due from such
26 taxpayer under this Act during the period to be covered by
27 the annual return for each month or fraction of a month
28 until such return is filed as required, the penalty to be
29 assessed and collected in the same manner as any other
30 penalty provided for in this Act.

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

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

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

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

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

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

21 For greater simplicity of administration, it shall be
22 permissible for manufacturers, importers and wholesalers whose
23 products are sold by numerous servicemen in Illinois, and who
24 wish to do so, to assume the responsibility for accounting and
25 paying to the Department all tax accruing under this Act with
26 respect to such sales, if the servicemen who are affected do
27 not make written objection to the Department to this
28 arrangement.

29 (Source: P.A. 92-12, eff. 7-1-01; 92-208, eff. 8-2-01; 92-492,
30 eff. 1-1-02; 92-600, eff. 6-28-02; 92-651, eff. 7-11-02; 93-24,
31 eff. 6-20-03; revised 10-15-03.)

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

34 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

6 1. The name of the seller;

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

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

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

22 5. Deductions allowed by law;

23 6. Gross receipts which were received by him during the
24 preceding calendar month or quarter and upon the basis of
25 which the tax is imposed;

26 7. The amount of credit provided in Section 2d of this
27 Act;

28 8. The amount of tax due;

29 9. The signature of the taxpayer; and

30 10. Such other reasonable information as the
31 Department may require.

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

36 Each return shall be accompanied by the statement of

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

3 After July 1, 2004 and prior to October 1, 2006 ~~2003~~, a
4 retailer may accept a Manufacturer's Purchase Credit
5 certification from a purchaser in satisfaction of Use Tax as
6 provided in Section 3-85 of the Use Tax Act if the purchaser
7 provides the appropriate documentation as required by Section
8 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
9 certification, accepted by a retailer prior to October 1, 2006
10 ~~2003~~ as provided in Section 3-85 of the Use Tax Act, may be
11 used by that retailer to satisfy Retailers' Occupation Tax
12 liability in the amount claimed in the certification, not to
13 exceed 6.25% of the receipts subject to tax from a qualifying
14 purchase. A Manufacturer's Purchase Credit reported on any
15 original or amended return filed under this Act after October
16 20, 2006 ~~2003~~ shall be disallowed. No Manufacturer's Purchase
17 Credit may be used after September 30, 2006 ~~2003~~ to satisfy any
18 tax liability imposed under this Act, including any audit
19 liability.

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

- 27 1. The name of the seller;
- 28 2. The address of the principal place of business from
29 which he engages in the business of selling tangible
30 personal property at retail in this State;
- 31 3. The total amount of taxable receipts received by him
32 during the preceding calendar month from sales of tangible
33 personal property by him during such preceding calendar
34 month, including receipts from charge and time sales, but
35 less all deductions allowed by law;
- 36 4. The amount of credit provided in Section 2d of this

1 Act;

2 5. The amount of tax due; and

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

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

19 Beginning on October 1, 2003, every distributor, importing
20 distributor, and manufacturer of alcoholic liquor as defined in
21 the Liquor Control Act of 1934, shall file a statement with the
22 Department of Revenue, no later than the 10th day of the month
23 for the preceding month during which transactions occurred, by
24 electronic means, showing the total amount of gross receipts
25 from the sale of alcoholic liquor sold or distributed during
26 the preceding month to purchasers; identifying the purchaser to
27 whom it was sold or distributed; the purchaser's tax
28 registration number; and such other information reasonably
29 required by the Department. A copy of the monthly statement
30 shall be sent to the retailer no later than the 10th day of the
31 month for the preceding month during which transactions
32 occurred.

33 If a total amount of less than \$1 is payable, refundable or
34 creditable, such amount shall be disregarded if it is less than
35 50 cents and shall be increased to \$1 if it is 50 cents or more.

36 Beginning October 1, 1993, a taxpayer who has an average

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

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

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

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

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

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

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

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

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

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

1 business.

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

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

30 Any retailer who sells only motor vehicles, watercraft,
31 aircraft, or trailers that are required to be registered with
32 an agency of this State, so that all retailers' occupation tax
33 liability is required to be reported, and is reported, on such
34 transaction reporting returns and who is not otherwise required
35 to file monthly or quarterly returns, need not file monthly or
36 quarterly returns. However, those retailers shall be required

1 to file returns on an annual basis.

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

23 The transaction reporting return in the case of watercraft
24 or aircraft must show the name and address of the seller; the
25 name and address of the purchaser; the amount of the selling
26 price including the amount allowed by the retailer for
27 traded-in property, if any; the amount allowed by the retailer
28 for the traded-in tangible personal property, if any, to the
29 extent to which Section 1 of this Act allows an exemption for
30 the value of traded-in property; the balance payable after
31 deducting such trade-in allowance from the total selling price;
32 the amount of tax due from the retailer with respect to such
33 transaction; the amount of tax collected from the purchaser by
34 the retailer on such transaction (or satisfactory evidence that
35 such tax is not due in that particular instance, if that is
36 claimed to be the fact); the place and date of the sale, a

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

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

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

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

36 If the user who would otherwise pay tax to the retailer

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

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

26 Where the seller is a corporation, the return filed on
27 behalf of such corporation shall be signed by the president,
28 vice-president, secretary or treasurer or by the properly
29 accredited agent of such corporation.

30 Where the seller is a limited liability company, the return
31 filed on behalf of the limited liability company shall be
32 signed by a manager, member, or properly accredited agent of
33 the limited liability company.

34 Except as provided in this Section, the retailer filing the
35 return under this Section shall, at the time of filing such
36 return, pay to the Department the amount of tax imposed by this

1 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
2 on and after January 1, 1990, or \$5 per calendar year,
3 whichever is greater, which is allowed to reimburse the
4 retailer for the expenses incurred in keeping records,
5 preparing and filing returns, remitting the tax and supplying
6 data to the Department on request. Any prepayment made pursuant
7 to Section 2d of this Act shall be included in the amount on
8 which such 2.1% or 1.75% discount is computed. In the case of
9 retailers who report and pay the tax on a transaction by
10 transaction basis, as provided in this Section, such discount
11 shall be taken with each such tax remittance instead of when
12 such retailer files his periodic return.

13 Before October 1, 2000, if the taxpayer's average monthly
14 tax liability to the Department under this Act, the Use Tax
15 Act, the Service Occupation Tax Act, and the Service Use Tax
16 Act, excluding any liability for prepaid sales tax to be
17 remitted in accordance with Section 2d of this Act, was \$10,000
18 or more during the preceding 4 complete calendar quarters, he
19 shall file a return with the Department each month by the 20th
20 day of the month next following the month during which such tax
21 liability is incurred and shall make payments to the Department
22 on or before the 7th, 15th, 22nd and last day of the month
23 during which such liability is incurred. On and after October
24 1, 2000, if the taxpayer's average monthly tax liability to the
25 Department under this Act, the Use Tax Act, the Service
26 Occupation Tax Act, and the Service Use Tax Act, excluding any
27 liability for prepaid sales tax to be remitted in accordance
28 with Section 2d of this Act, was \$20,000 or more during the
29 preceding 4 complete calendar quarters, he shall file a return
30 with the Department each month by the 20th day of the month
31 next following the month during which such tax liability is
32 incurred and shall make payment to the Department on or before
33 the 7th, 15th, 22nd and last day of the month during which such
34 liability is incurred. If the month during which such tax
35 liability is incurred began prior to January 1, 1985, each
36 payment shall be in an amount equal to 1/4 of the taxpayer's

1 actual liability for the month or an amount set by the
2 Department not to exceed 1/4 of the average monthly liability
3 of the taxpayer to the Department for the preceding 4 complete
4 calendar quarters (excluding the month of highest liability and
5 the month of lowest liability in such 4 quarter period). If the
6 month during which such tax liability is incurred begins on or
7 after January 1, 1985 and prior to January 1, 1987, each
8 payment shall be in an amount equal to 22.5% of the taxpayer's
9 actual liability for the month or 27.5% of the taxpayer's
10 liability for the same calendar month of the preceding year. If
11 the month during which such tax liability is incurred begins on
12 or after January 1, 1987 and prior to January 1, 1988, each
13 payment shall be in an amount equal to 22.5% of the taxpayer's
14 actual liability for the month or 26.25% of the taxpayer's
15 liability for the same calendar month of the preceding year. If
16 the month during which such tax liability is incurred begins on
17 or after January 1, 1988, and prior to January 1, 1989, or
18 begins on or after January 1, 1996, each payment shall be in an
19 amount equal to 22.5% of the taxpayer's actual liability for
20 the month or 25% of the taxpayer's liability for the same
21 calendar month of the preceding year. If the month during which
22 such tax liability is incurred begins on or after January 1,
23 1989, and prior to January 1, 1996, each payment shall be in an
24 amount equal to 22.5% of the taxpayer's actual liability for
25 the month or 25% of the taxpayer's liability for the same
26 calendar month of the preceding year or 100% of the taxpayer's
27 actual liability for the quarter monthly reporting period. The
28 amount of such quarter monthly payments shall be credited
29 against the final tax liability of the taxpayer's return for
30 that month. Before October 1, 2000, once applicable, the
31 requirement of the making of quarter monthly payments to the
32 Department by taxpayers having an average monthly tax liability
33 of \$10,000 or more as determined in the manner provided above
34 shall continue until such taxpayer's average monthly liability
35 to the Department during the preceding 4 complete calendar
36 quarters (excluding the month of highest liability and the

1 month of lowest liability) is less than \$9,000, or until such
2 taxpayer's average monthly liability to the Department as
3 computed for each calendar quarter of the 4 preceding complete
4 calendar quarter period is less than \$10,000. However, if a
5 taxpayer can show the Department that a substantial change in
6 the taxpayer's business has occurred which causes the taxpayer
7 to anticipate that his average monthly tax liability for the
8 reasonably foreseeable future will fall below the \$10,000
9 threshold stated above, then such taxpayer may petition the
10 Department for a change in such taxpayer's reporting status. On
11 and after 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 \$20,000 or
14 more as determined in the manner provided above shall continue
15 until such taxpayer's average monthly liability to the
16 Department during the preceding 4 complete calendar quarters
17 (excluding the month of highest liability and the month of
18 lowest liability) is less than \$19,000 or until such taxpayer's
19 average monthly liability to the Department as computed for
20 each calendar quarter of the 4 preceding complete calendar
21 quarter period is less than \$20,000. However, if a taxpayer can
22 show the Department that a substantial change in the taxpayer's
23 business has occurred which causes the taxpayer to anticipate
24 that his average monthly tax liability for the reasonably
25 foreseeable future will fall below the \$20,000 threshold stated
26 above, then such taxpayer may petition the Department for a
27 change in such taxpayer's reporting status. The Department
28 shall change such taxpayer's reporting status unless it finds
29 that such change is seasonal in nature and not likely to be
30 long term. If any such quarter monthly payment is not paid at
31 the time or in the amount required by this Section, then the
32 taxpayer shall be liable for penalties and interest on the
33 difference between the minimum amount due as a payment and the
34 amount of such quarter monthly payment actually and timely
35 paid, except insofar as the taxpayer has previously made
36 payments for that month to the Department in excess of the

1 minimum payments previously due as provided in this Section.
2 The Department shall make reasonable rules and regulations to
3 govern the quarter monthly payment amount and quarter monthly
4 payment dates for taxpayers who file on other than a calendar
5 monthly basis.

6 The provisions of this paragraph apply before October 1,
7 2001. Without regard to whether a taxpayer is required to make
8 quarter monthly payments as specified above, any taxpayer who
9 is required by Section 2d of this Act to collect and remit
10 prepaid taxes and has collected prepaid taxes which average in
11 excess of \$25,000 per month during the preceding 2 complete
12 calendar quarters, shall file a return with the Department as
13 required by Section 2f and shall make payments to the
14 Department on or before the 7th, 15th, 22nd and last day of the
15 month during which such liability is incurred. If the month
16 during which such tax liability is incurred began prior to the
17 effective date of this amendatory Act of 1985, each payment
18 shall be in an amount not less than 22.5% of the taxpayer's
19 actual liability under Section 2d. If the month during which
20 such tax liability is incurred begins on or after January 1,
21 1986, each payment shall be in an amount equal to 22.5% of the
22 taxpayer's actual liability for the month or 27.5% of the
23 taxpayer's liability for the same calendar month of the
24 preceding calendar year. If the month during which such tax
25 liability is incurred begins on or after January 1, 1987, each
26 payment shall be in an amount equal to 22.5% of the taxpayer's
27 actual liability for the month or 26.25% of the taxpayer's
28 liability for the same calendar month of the preceding year.
29 The amount of such quarter monthly payments shall be credited
30 against the final tax liability of the taxpayer's return for
31 that month filed under this Section or Section 2f, as the case
32 may be. Once applicable, the requirement of the making of
33 quarter monthly payments to the Department pursuant to this
34 paragraph shall continue until such taxpayer's average monthly
35 prepaid tax collections during the preceding 2 complete
36 calendar quarters is \$25,000 or less. If any such quarter

1 monthly payment is not paid at the time or in the amount
2 required, the taxpayer shall be liable for penalties and
3 interest on such difference, except insofar as the taxpayer has
4 previously made payments for that month in excess of the
5 minimum payments previously due.

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

36 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 2.1%
18 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%
19 of the difference between the credit taken and that actually
20 due, and that taxpayer shall be liable for penalties and
21 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 which the
25 taxpayer is filing a return, the Department shall issue the
26 taxpayer a credit memorandum for the excess.

27 Beginning January 1, 1990, each month the Department shall
28 pay into the Local Government Tax Fund, a special fund in the
29 State treasury which is hereby created, the net revenue
30 realized for the preceding month from the 1% tax on sales of
31 food for human consumption which is to be consumed off the
32 premises where it is sold (other than alcoholic beverages, soft
33 drinks and food which has been prepared for immediate
34 consumption) and prescription and nonprescription medicines,
35 drugs, medical appliances and insulin, urine testing
36 materials, syringes and needles used by diabetics.

1 Beginning January 1, 1990, each month the Department shall
2 pay into the County and Mass Transit District Fund, a special
3 fund in the State treasury which is hereby created, 4% of the
4 net revenue realized for the preceding month from the 6.25%
5 general rate.

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

10 Beginning January 1, 1990, each month the Department shall
11 pay into the Local Government Tax Fund 16% of the net revenue
12 realized for the preceding month from the 6.25% general rate on
13 the selling price of tangible personal property.

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

18 Of the remainder of the moneys received by the Department
19 pursuant to this Act, (a) 1.75% thereof shall be paid into the
20 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
21 and after July 1, 1989, 3.8% thereof shall be paid into the
22 Build Illinois Fund; provided, however, that if in any fiscal
23 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
24 may be, of the moneys received by the Department and required
25 to be paid into the Build Illinois Fund pursuant to this Act,
26 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
27 Act, and Section 9 of the Service Occupation Tax Act, such Acts
28 being hereinafter called the "Tax Acts" and such aggregate of
29 2.2% or 3.8%, as the case may be, of moneys being hereinafter
30 called the "Tax Act Amount", and (2) the amount transferred to
31 the Build Illinois Fund from the State and Local Sales Tax
32 Reform Fund shall be less than the Annual Specified Amount (as
33 hereinafter defined), an amount equal to the difference shall
34 be immediately paid into the Build Illinois Fund from other
35 moneys received by the Department pursuant to the Tax Acts; the
36 "Annual Specified Amount" means the amounts specified below for

1 fiscal years 1986 through 1993:

2	Fiscal Year	Annual Specified Amount
3	1986	\$54,800,000
4	1987	\$76,650,000
5	1988	\$80,480,000
6	1989	\$88,510,000
7	1990	\$115,330,000
8	1991	\$145,470,000
9	1992	\$182,730,000
10	1993	\$206,520,000;

11 and means the Certified Annual Debt Service Requirement (as
12 defined in Section 13 of the Build Illinois Bond Act) or the
13 Tax Act Amount, whichever is greater, for fiscal year 1994 and
14 each fiscal year thereafter; and further provided, that if on
15 the last business day of any month the sum of (1) the Tax Act
16 Amount required to be deposited into the Build Illinois Bond
17 Account in the Build Illinois Fund during such month and (2)
18 the amount transferred to the Build Illinois Fund from the
19 State and Local Sales Tax Reform Fund shall have been less than
20 1/12 of the Annual Specified Amount, an amount equal to the
21 difference shall be immediately paid into the Build Illinois
22 Fund from other moneys received by the Department pursuant to
23 the Tax Acts; and, further provided, that in no event shall the
24 payments required under the preceding proviso result in
25 aggregate payments into the Build Illinois Fund pursuant to
26 this clause (b) for any fiscal year in excess of the greater of
27 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
28 such fiscal year. The amounts payable into the Build Illinois
29 Fund under clause (b) of the first sentence in this paragraph
30 shall be payable only until such time as the aggregate amount
31 on deposit under each trust indenture securing Bonds issued and
32 outstanding pursuant to the Build Illinois Bond Act is
33 sufficient, taking into account any future investment income,
34 to fully provide, in accordance with such indenture, for the
35 defeasance of or the payment of the principal of, premium, if
36 any, and interest on the Bonds secured by such indenture and on

1 any Bonds expected to be issued thereafter and all fees and
2 costs payable with respect thereto, all as certified by the
3 Director of the Bureau of the Budget (now Governor's Office of
4 Management and Budget). If on the last business day of any
5 month in which Bonds are outstanding pursuant to the Build
6 Illinois Bond Act, the aggregate of moneys deposited in the
7 Build Illinois Bond Account in the Build Illinois Fund in such
8 month shall be less than the amount required to be transferred
9 in such month from the Build Illinois Bond Account to the Build
10 Illinois Bond Retirement and Interest Fund pursuant to Section
11 13 of the Build Illinois Bond Act, an amount equal to such
12 deficiency shall be immediately paid from other moneys received
13 by the Department pursuant to the Tax Acts to the Build
14 Illinois Fund; provided, however, that any amounts paid to the
15 Build Illinois Fund in any fiscal year pursuant to this
16 sentence shall be deemed to constitute payments pursuant to
17 clause (b) of the first sentence of this paragraph and shall
18 reduce the amount otherwise payable for such fiscal year
19 pursuant to that clause (b). The moneys received by the
20 Department pursuant to this Act and required to be deposited
21 into the Build Illinois Fund are subject to the pledge, claim
22 and charge set forth in Section 12 of the Build Illinois Bond
23 Act.

24 Subject to payment of amounts into the Build Illinois Fund
25 as provided in the preceding paragraph or in any amendment
26 thereto hereafter enacted, the following specified monthly
27 installment of the amount requested in the certificate of the
28 Chairman of the Metropolitan Pier and Exposition Authority
29 provided under Section 8.25f of the State Finance Act, but not
30 in excess of sums designated as "Total Deposit", shall be
31 deposited in the aggregate from collections under Section 9 of
32 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
33 9 of the Service Occupation Tax Act, and Section 3 of the
34 Retailers' Occupation Tax Act into the McCormick Place
35 Expansion Project Fund in the specified fiscal years.

1		Total
	Fiscal Year	Deposit
2	1993	\$0
3	1994	53,000,000
4	1995	58,000,000
5	1996	61,000,000
6	1997	64,000,000
7	1998	68,000,000
8	1999	71,000,000
9	2000	75,000,000
10	2001	80,000,000
11	2002	93,000,000
12	2003	99,000,000
13	2004	103,000,000
14	2005	108,000,000
15	2006	113,000,000
16	2007	119,000,000
17	2008	126,000,000
18	2009	132,000,000
19	2010	139,000,000
20	2011	146,000,000
21	2012	153,000,000
22	2013	161,000,000
23	2014	170,000,000
24	2015	179,000,000
25	2016	189,000,000
26	2017	199,000,000
27	2018	210,000,000
28	2019	221,000,000
29	2020	233,000,000
30	2021	246,000,000
31	2022	260,000,000
32	2023 and	275,000,000
33	each fiscal year	
34	thereafter that bonds	
35	are outstanding under	

1 Section 13.2 of the
2 Metropolitan Pier and
3 Exposition Authority Act,
4 but not after fiscal year 2042.

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

18 Subject to payment of amounts into 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, beginning July 1, 1993, the Department shall each
22 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
23 the net revenue realized for the preceding month from the 6.25%
24 general rate on the selling price of tangible personal
25 property.

26 Subject to payment of amounts into the Build Illinois Fund
27 and the McCormick Place Expansion Project Fund pursuant to the
28 preceding paragraphs or in any amendments thereto hereafter
29 enacted, beginning with the receipt of the first report of
30 taxes paid by an eligible business and continuing for a 25-year
31 period, the Department shall each month pay into the Energy
32 Infrastructure Fund 80% of the net revenue realized from the
33 6.25% general rate on the selling price of Illinois-mined coal
34 that was sold to an eligible business. For purposes of this
35 paragraph, the term "eligible business" means a new electric
36 generating facility certified pursuant to Section 605-332 of

1 the Department of Commerce and Economic Opportunity ~~Community~~
2 ~~Affairs~~ Law of the Civil Administrative Code of Illinois.

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

9 The Department may, upon separate written notice to a
10 taxpayer, require the taxpayer to prepare and file with the
11 Department on a form prescribed by the Department within not
12 less than 60 days after receipt of the notice an annual
13 information return for the tax year specified in the notice.
14 Such annual return to the Department shall include a statement
15 of gross receipts as shown by the retailer's last Federal
16 income tax return. If the total receipts of the business as
17 reported in the Federal income tax return do not agree with the
18 gross receipts reported to the Department of Revenue for the
19 same period, the retailer shall attach to his annual return a
20 schedule showing a reconciliation of the 2 amounts and the
21 reasons for the difference. The retailer's annual return to the
22 Department shall also disclose the cost of goods sold by the
23 retailer during the year covered by such return, opening and
24 closing inventories of such goods for such year, costs of goods
25 used from stock or taken from stock and given away by the
26 retailer during such year, payroll information of the
27 retailer's business during such year and any additional
28 reasonable information which the Department deems would be
29 helpful in determining the accuracy of the monthly, quarterly
30 or annual returns filed by such retailer as provided for in
31 this Section.

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

35 (i) Until January 1, 1994, the taxpayer shall be liable
36 for a penalty equal to 1/6 of 1% of the tax due from such

1 taxpayer under this Act during the period to be covered by
2 the annual return for each month or fraction of a month
3 until such return is filed as required, the penalty to be
4 assessed and collected in the same manner as any other
5 penalty provided for in this Act.

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

9 The chief executive officer, proprietor, owner or highest
10 ranking manager shall sign the annual return to certify the
11 accuracy of the information contained therein. Any person who
12 willfully signs the annual return containing false or
13 inaccurate information shall be guilty of perjury and punished
14 accordingly. The annual return form prescribed by the
15 Department shall include a warning that the person signing the
16 return may be liable for perjury.

17 The provisions of this Section concerning the filing of an
18 annual information return do not apply to a retailer who is not
19 required to file an income tax return with the United States
20 Government.

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

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

32 For greater simplicity of administration, manufacturers,
33 importers and wholesalers whose products are sold at retail in
34 Illinois by numerous retailers, and who wish to do so, may
35 assume the responsibility for accounting and paying to the
36 Department all tax accruing under this Act with respect to such

1 sales, if the retailers who are affected do not make written
2 objection to the Department to this arrangement.

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

20 Any person engaged in the business of selling tangible
21 personal property at retail as a concessionaire or other type
22 of seller at the Illinois State Fair, county fairs, art shows,
23 flea markets and similar exhibitions or events, or any
24 transient merchants, as defined by Section 2 of the Transient
25 Merchant Act of 1987, may be required to make a daily report of
26 the amount of such sales to the Department and to make a daily
27 payment of the full amount of tax due. The Department shall
28 impose this requirement when it finds that there is a
29 significant risk of loss of revenue to the State at such an
30 exhibition or event. Such a finding shall be based on evidence
31 that a substantial number of concessionaires or other sellers
32 who are not residents of Illinois will be engaging in the
33 business of selling tangible personal property at retail at the
34 exhibition or event, or other evidence of a significant risk of
35 loss of revenue to the State. The Department shall notify
36 concessionaires and other sellers affected by the imposition of

1 this requirement. In the absence of notification by the
2 Department, the concessionaires and other sellers shall file
3 their returns as otherwise required in this Section.

4 (Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-208,
5 eff. 8-2-01; 92-484, eff. 8-23-01; 92-492, eff. 1-1-02; 92-600,
6 eff. 6-28-02; 92-651, eff. 7-11-02; 93-22, eff. 6-20-03; 93-24,
7 eff. 6-20-03; revised 10-15-03.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.