

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

29 The amount of credit shall be a percentage of the tax that
30 would have been incurred on the purchase of manufacturing
31 machinery and equipment or graphic arts machinery and equipment
32 if the exemptions provided by paragraph (6) or paragraph (18)

1 of Section 3-5 of this Act had not been applicable. The
2 percentage shall be as follows:

3 (1) 15% for purchases made on or before June 30, 1995.

4 (2) 25% for purchases made after June 30, 1995, and on
5 or before June 30, 1996.

6 (3) 40% for purchases made after June 30, 1996, and on
7 or before June 30, 1997.

8 (4) 50% for purchases made on or after July 1, 1997.

9 A purchaser of production related tangible personal
10 property desiring to use the Manufacturer's Purchase Credit
11 shall certify to the seller prior to October 1, 2005 ~~2003~~ that
12 the purchaser is satisfying all or part of the liability under
13 the Use Tax Act or the Service Use Tax Act that is due on the
14 purchase of the production related tangible personal property
15 by use of Manufacturer's Purchase Credit. The Manufacturer's
16 Purchase Credit certification must be dated and shall include
17 the name and address of the purchaser, the purchaser's
18 registration number, if registered, the credit being applied,
19 and a statement that the State Use Tax or Service Use Tax
20 liability is being satisfied with the manufacturer's or graphic
21 arts producer's accumulated purchase credit. Certification may
22 be incorporated into the manufacturer's or graphic arts
23 producer's purchase order. Manufacturer's Purchase Credit
24 certification provided by the manufacturer or graphic arts
25 producer prior to October 1, 2005 ~~2003~~ may be used to satisfy
26 the retailer's or serviceman's liability under the Retailers'
27 Occupation Tax Act or Service Occupation Tax Act for the credit
28 claimed, not to exceed 6.25% of the receipts subject to tax
29 from a qualifying purchase, but only if the retailer or
30 serviceman reports the Manufacturer's Purchase Credit claimed
31 as required by the Department. A Manufacturer's Purchase Credit
32 reported on any original or amended return filed under this Act
33 after October 20, 2005 ~~2003~~ shall be disallowed. The
34 Manufacturer's Purchase Credit earned by purchase of exempt
35 manufacturing machinery and equipment or graphic arts
36 machinery and equipment is a non-transferable credit. A

1 manufacturer or graphic arts producer that enters into a
2 contract involving the installation of tangible personal
3 property into real estate within a manufacturing or graphic
4 arts production facility may, prior to October 1, 2005 ~~2003~~,
5 authorize a construction contractor to utilize credit
6 accumulated by the manufacturer or graphic arts producer to
7 purchase the tangible personal property. A manufacturer or
8 graphic arts producer intending to use accumulated credit to
9 purchase such tangible personal property shall execute a
10 written contract authorizing the contractor to utilize a
11 specified dollar amount of credit. The contractor shall
12 furnish, prior to October 1, 2005 ~~2003~~, the supplier with the
13 manufacturer's or graphic arts producer's name, registration
14 or resale number, and a statement that a specific amount of the
15 Use Tax or Service Use Tax liability, not to exceed 6.25% of
16 the selling price, is being satisfied with the credit. The
17 manufacturer or graphic arts producer shall remain liable to
18 timely report all information required by the annual Report of
19 Manufacturer's Purchase Credit Used for all credit utilized by
20 a construction contractor.

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

1 such as preproduction material handling, receiving, quality
2 control, inventory control, storage, staging, and packaging
3 for shipping and transportation purposes; (ii) all tangible
4 personal property used or consumed by the purchaser in a
5 graphic arts facility in which graphic arts production as
6 described in Section 2-30 of the Retailers' Occupation Tax Act
7 takes place, including tangible personal property purchased
8 for incorporation into real estate within a graphic arts
9 facility and including, but not limited to, all tangible
10 personal property used or consumed in activities such as
11 graphic arts preliminary or pre-press production,
12 pre-production material handling, receiving, quality control,
13 inventory control, storage, staging, sorting, labeling,
14 mailing, tying, wrapping, and packaging; and (iii) all tangible
15 personal property used or consumed by the purchaser for
16 research and development. "Production related tangible
17 personal property" does not include (i) tangible personal
18 property used, within or without a manufacturing facility, in
19 sales, purchasing, accounting, fiscal management, marketing,
20 personnel recruitment or selection, or landscaping or (ii)
21 tangible personal property required to be titled or registered
22 with a department, agency, or unit of federal, state, or local
23 government. The Manufacturer's Purchase Credit may be used,
24 prior to October 1, 2005 ~~2003~~, to satisfy the tax arising
25 either from the purchase of machinery and equipment on or after
26 January 1, 1995 for which the exemption provided by paragraph
27 (18) of Section 3-5 of this Act was erroneously claimed, or the
28 purchase of machinery and equipment on or after July 1, 1996
29 for which the exemption provided by paragraph (6) of Section
30 3-5 of this Act was erroneously claimed, but not in
31 satisfaction of penalty, if any, and interest for failure to
32 pay the tax when due. A purchaser of production related
33 tangible personal property who is required to pay Illinois Use
34 Tax or Service Use Tax on the purchase directly to the
35 Department may, prior to October 1, 2005 ~~2003~~, utilize the
36 Manufacturer's Purchase Credit in satisfaction of the tax

1 arising from that purchase, but not in satisfaction of penalty
2 and interest. A purchaser who uses the Manufacturer's Purchase
3 Credit to purchase property which is later determined not to be
4 production related tangible personal property may be liable for
5 tax, penalty, and interest on the purchase of that property as
6 of the date of purchase but shall be entitled to use the
7 disallowed Manufacturer's Purchase Credit, so long as it has
8 not expired and is used prior to October 1, 2005 ~~2003~~, on
9 qualifying purchases of production related tangible personal
10 property not previously subject to credit usage. The
11 Manufacturer's Purchase Credit earned by a manufacturer or
12 graphic arts producer expires the last day of the second
13 calendar year following the calendar year in which the credit
14 arose. No Manufacturer's Purchase Credit may be used after
15 September 30, 2005 ~~2003~~ regardless of when that credit was
16 earned.

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

1 Number), the purchase price, and the amount of Manufacturer's
2 Purchase Credit earned on each purchase.

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

24 No annual report shall be filed before May 1, 1996 or after
25 June 30, 2004. A purchaser that fails to file an annual Report
26 of Manufacturer's Purchase Credit Earned or an annual Report of
27 Manufacturer's Purchase Credit Used by the last day of the
28 sixth month following the end of the calendar year shall
29 forfeit all Manufacturer's Purchase Credit for that calendar
30 year unless it establishes that its failure to file was due to
31 reasonable cause. Manufacturer's Purchase Credit reports may
32 be amended to report and claim credit on qualifying purchases
33 not previously reported at any time before the credit would
34 have expired, unless both the Department and the purchaser have
35 agreed to an extension of the statute of limitations for the
36 issuance of a notice of tax liability as provided in Section 4

1 of the Retailers' Occupation Tax Act. If the time for
2 assessment or refund has been extended, then amended reports
3 for a calendar year may be filed at any time prior to the date
4 to which the statute of limitations for the calendar year or
5 portion thereof has been extended. No Manufacturer's Purchase
6 Credit report filed with the Department for periods prior to
7 January 1, 1995 shall be approved. Manufacturer's Purchase
8 Credit claimed on an amended report may be used, until October
9 1, 2005 ~~2003~~, to satisfy tax liability under the Use Tax Act or
10 the Service Use Tax Act (i) on qualifying purchases of
11 production related tangible personal property made after the
12 date the amended report is filed or (ii) assessed by the
13 Department on qualifying purchases of production related
14 tangible personal property made in the case of manufacturers on
15 or after January 1, 1995, or in the case of graphic arts
16 producers on or after July 1, 1996.

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

22 A purchaser shall not be entitled to any Manufacturer's
23 Purchase Credit for a purchase that is required to be reported
24 and is not timely reported as provided in this Section. A
25 purchaser remains liable for (i) any tax that was satisfied by
26 use of a Manufacturer's Purchase Credit, as of the date of
27 purchase, if that use is not timely reported as required in
28 this Section and (ii) for any applicable penalties and interest
29 for failing to pay the tax when due. No Manufacturer's Purchase
30 Credit may be used after September 30, 2005 ~~2003~~ to satisfy any
31 tax liability imposed under this Act, including any audit
32 liability.

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

34 Section 10. The Service Use Tax Act is amended by changing
35 Section 3-70 as follows:

1 (35 ILCS 110/3-70)

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

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

28 All purchases prior to October 1, 2003 of manufacturing
29 machinery and equipment and graphic arts machinery and
30 equipment that qualify for the exemptions provided by paragraph
31 (5) of Section 2 or paragraph (5) of Section 3-5 of this Act
32 qualify for the credit without regard to whether the serviceman
33 elected, or could have elected, under paragraph (7) of Section
34 2 of this Act to exclude the transaction from this Act. If the
35 serviceman's billing to the service customer separately states

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

17 The percentage shall be as follows:

18 (1) 15% for purchases made on or before June 30, 1995.

19 (2) 25% for purchases made after June 30, 1995, and on
20 or before June 30, 1996.

21 (3) 40% for purchases made after June 30, 1996, and on
22 or before June 30, 1997.

23 (4) 50% for purchases made on or after July 1, 1997.

24 A purchaser of production related tangible personal
25 property desiring to use the Manufacturer's Purchase Credit
26 shall certify to the seller prior to October 1, 2005 ~~2003~~ that
27 the purchaser is satisfying all or part of the liability under
28 the Use Tax Act or the Service Use Tax Act that is due on the
29 purchase of the production related tangible personal property
30 by use of a Manufacturer's Purchase Credit. The Manufacturer's
31 Purchase Credit certification must be dated and shall include
32 the name and address of the purchaser, the purchaser's
33 registration number, if registered, the credit being applied,
34 and a statement that the State Use Tax or Service Use Tax
35 liability is being satisfied with the manufacturer's or graphic
36 arts producer's accumulated purchase credit. Certification may

1 be incorporated into the manufacturer's or graphic arts
2 producer's purchase order. Manufacturer's Purchase Credit
3 certification provided by the manufacturer or graphic arts
4 producer prior to October 1, 2005 ~~2003~~ may be used to satisfy
5 the retailer's or serviceman's liability under the Retailers'
6 Occupation Tax Act or Service Occupation Tax Act for the credit
7 claimed, not to exceed 6.25% of the receipts subject to tax
8 from a qualifying purchase, but only if the retailer or
9 serviceman reports the Manufacturer's Purchase Credit claimed
10 as required by the Department. A Manufacturer's Purchase Credit
11 reported on any original or amended return filed under this Act
12 after October 20, 2005 ~~2003~~ shall be disallowed. The
13 Manufacturer's Purchase Credit earned by purchase of exempt
14 manufacturing machinery and equipment or graphic arts
15 machinery and equipment is a non-transferable credit. A
16 manufacturer or graphic arts producer that enters into a
17 contract involving the installation of tangible personal
18 property into real estate within a manufacturing or graphic
19 arts production facility, prior to October 1, 2005 ~~2003~~, may
20 authorize a construction contractor to utilize credit
21 accumulated by the manufacturer or graphic arts producer to
22 purchase the tangible personal property. A manufacturer or
23 graphic arts producer intending to use accumulated credit to
24 purchase such tangible personal property shall execute a
25 written contract authorizing the contractor to utilize a
26 specified dollar amount of credit. The contractor shall
27 furnish, prior to October 1, 2005 ~~2003~~, the supplier with the
28 manufacturer's or graphic arts producer's name, registration
29 or resale number, and a statement that a specific amount of the
30 Use Tax or Service Use Tax liability, not to exceed 6.25% of
31 the selling price, is being satisfied with the credit. The
32 manufacturer or graphic arts producer shall remain liable to
33 timely report all information required by the annual Report of
34 Manufacturer's Purchase Credit Used for credit utilized by a
35 construction contractor.

36 The Manufacturer's Purchase Credit may be used to satisfy

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

1 titled or registered with a department, agency, or unit of
2 federal, state, or local government. The Manufacturer's
3 Purchase Credit may be used, prior to October 1, 2005 ~~2003~~, to
4 satisfy the tax arising either from the purchase of machinery
5 and equipment on or after January 1, 1995 for which the
6 manufacturing machinery and equipment exemption provided by
7 Section 2 of this Act was erroneously claimed, or the purchase
8 of machinery and equipment on or after July 1, 1996 for which
9 the exemption provided by paragraph (5) of Section 3-5 of this
10 Act was erroneously claimed, but not in satisfaction of
11 penalty, if any, and interest for failure to pay the tax when
12 due. A purchaser of production related tangible personal
13 property who is required to pay Illinois Use Tax or Service Use
14 Tax on the purchase directly to the Department may, prior to
15 October 1, 2005 ~~2003~~, utilize the Manufacturer's Purchase
16 Credit in satisfaction of the tax arising from that purchase,
17 but not in satisfaction of penalty and interest. A purchaser
18 who uses the Manufacturer's Purchase Credit to purchase
19 property which is later determined not to be production related
20 tangible personal property may be liable for tax, penalty, and
21 interest on the purchase of that property as of the date of
22 purchase but shall be entitled to use the disallowed
23 Manufacturer's Purchase Credit, so long as it has not expired
24 and is used prior to October 1, 2005 ~~2003~~, on qualifying
25 purchases of production related tangible personal property not
26 previously subject to credit usage. The Manufacturer's
27 Purchase Credit earned by a manufacturer or graphic arts
28 producer expires the last day of the second calendar year
29 following the calendar year in which the credit arose. No
30 Manufacturer's Purchase Credit may be used after September 30,
31 2005 ~~2003~~ regardless of when that credit was earned.

32 A purchaser earning Manufacturer's Purchase Credit shall
33 sign and file an annual Report of Manufacturer's Purchase
34 Credit Earned for each calendar year no later than the last day
35 of the sixth month following the calendar year in which a
36 Manufacturer's Purchase Credit is earned. A Report of

1 Manufacturer's Purchase Credit Earned shall be filed on forms
2 as prescribed or approved by the Department and shall state,
3 for each month of the calendar year: (i) the total purchase
4 price of all purchases of exempt manufacturing or graphic arts
5 machinery on which the credit was earned; (ii) the total State
6 Use Tax or Service Use Tax which would have been due on those
7 items; (iii) the percentage used to calculate the amount of
8 credit earned; (iv) the amount of credit earned; and (v) such
9 other information as the Department may reasonably require. A
10 purchaser earning Manufacturer's Purchase Credit shall
11 maintain records which identify, as to each purchase of
12 manufacturing or graphic arts machinery and equipment on which
13 the purchaser earned Manufacturer's Purchase Credit, the
14 vendor (including, if applicable, either the vendor's
15 registration number or Federal Employer Identification
16 Number), the purchase price, and the amount of Manufacturer's
17 Purchase Credit earned on each purchase.

18 A purchaser using Manufacturer's Purchase Credit shall
19 sign and file an annual Report of Manufacturer's Purchase
20 Credit Used 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 used. A Report of
23 Manufacturer's Purchase Credit Used shall be filed on forms as
24 prescribed or approved by the Department and shall state, for
25 each month of the calendar year: (i) the total purchase price
26 of production related tangible personal property purchased
27 from Illinois suppliers; (ii) the total purchase price of
28 production related tangible personal property purchased from
29 out-of-state suppliers; (iii) the total amount of credit used
30 during such month; and (iv) such other information as the
31 Department may reasonably require. A purchaser using
32 Manufacturer's Purchase Credit shall maintain records that
33 identify, as to each purchase of production related tangible
34 personal property on which the purchaser used Manufacturer's
35 Purchase Credit, the vendor (including, if applicable, either
36 the vendor's registration number or Federal Employer

1 Identification Number), the purchase price, and the amount of
2 Manufacturer's Purchase Credit used on each purchase.

3 No annual report shall be filed before May 1, 1996 or after
4 June 30, 2004. A purchaser that fails to file an annual Report
5 of Manufacturer's Purchase Credit Earned or an annual Report of
6 Manufacturer's Purchase Credit Used by the last day of the
7 sixth month following the end of the calendar year shall
8 forfeit all Manufacturer's Purchase Credit for that calendar
9 year unless it establishes that its failure to file was due to
10 reasonable cause. Manufacturer's Purchase Credit reports may
11 be amended to report and claim credit on qualifying purchases
12 not previously reported at any time before the credit would
13 have expired, unless both the Department and the purchaser have
14 agreed to an extension of the statute of limitations for the
15 issuance of a notice of tax liability as provided in Section 4
16 of the Retailers' Occupation Tax Act. If the time for
17 assessment or refund has been extended, then amended reports
18 for a calendar year may be filed at any time prior to the date
19 to which the statute of limitations for the calendar year or
20 portion thereof has been extended. No Manufacturer's Purchase
21 Credit report filed with the Department for periods prior to
22 January 1, 1995 shall be approved. Manufacturer's Purchase
23 Credit claimed on an amended report may be used, prior to
24 October 1, 2005 ~~2003~~, to satisfy tax liability under the Use
25 Tax Act or the Service Use Tax Act (i) on qualifying purchases
26 of production related tangible personal property made after the
27 date the amended report is filed or (ii) assessed by the
28 Department on qualifying purchases of production related
29 tangible personal property made in the case of manufacturers on
30 or after January 1, 1995, or in the case of graphic arts
31 producers on or after July 1, 1996.

32 If the purchaser is not the manufacturer or a graphic arts
33 producer, but rents or leases the use of the property to a
34 manufacturer or a graphic arts producer, the purchaser may
35 earn, report, and use Manufacturer's Purchase Credit in the
36 same manner as a manufacturer or graphic arts producer.

1 A purchaser shall not be entitled to any Manufacturer's
2 Purchase Credit for a purchase that is required to be reported
3 and is not timely reported as provided in this Section. A
4 purchaser remains liable for (i) any tax that was satisfied by
5 use of a Manufacturer's Purchase Credit, as of the date of
6 purchase, if that use is not timely reported as required in
7 this Section and (ii) for any applicable penalties and interest
8 for failing to pay the tax when due. No Manufacturer's Purchase
9 Credit may be used after September 30, 2005 ~~2003~~ to satisfy any
10 tax liability imposed under this Act, including any audit
11 liability.

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

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

15 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

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

34 Except as provided hereinafter in this Section, on or

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

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

- 14 1. The name of the seller;
- 15 2. The address of the principal place of business from
16 which he engages in business as a serviceman in this State;
- 17 3. The total amount of taxable receipts received by him
18 during the preceding calendar month, including receipts
19 from charge and time sales, but less all deductions allowed
20 by law;
- 21 4. The amount of credit provided in Section 2d of this
22 Act;
- 23 5. The amount of tax due;
- 24 5-5. The signature of the taxpayer; and
- 25 6. Such other reasonable information as the Department
26 may require.

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

31 Prior to October 1, 2005 ~~2003~~, a serviceman may accept a
32 Manufacturer's Purchase Credit certification from a purchaser
33 in satisfaction of Service Use Tax as provided in Section 3-70
34 of the Service Use Tax Act if the purchaser provides the
35 appropriate documentation as required by Section 3-70 of the
36 Service Use Tax Act. A Manufacturer's Purchase Credit

1 certification, accepted prior to October 1, 2005 ~~2003~~ by a
2 serviceman as provided in Section 3-70 of the Service Use Tax
3 Act, may be used by that serviceman to satisfy Service
4 Occupation Tax liability in the amount claimed in the
5 certification, not to exceed 6.25% of the receipts subject to
6 tax from a qualifying purchase. A Manufacturer's Purchase
7 Credit reported on any original or amended return filed under
8 this Act after October 20, 2005 ~~2003~~ shall be disallowed. No
9 Manufacturer's Purchase Credit may be used after September 30,
10 2005 ~~2003~~ to satisfy any tax liability imposed under this Act,
11 including any audit liability.

12 If the serviceman's average monthly tax liability to the
13 Department does not exceed \$200, the Department may authorize
14 his returns to be filed on a quarter annual basis, with the
15 return for January, February and March of a given year being
16 due by April 20 of such year; with the return for April, May
17 and June of a given year being due by July 20 of such year; with
18 the return for July, August and September of a given year being
19 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 serviceman's average monthly tax liability to the
23 Department does not exceed \$50, the Department may authorize
24 his returns to be filed on an annual basis, with the return for
25 a given year being due by January 20 of the following year.

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

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

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

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

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

32 Beginning January 1, 1990, each month the Department shall
33 pay into the Local Government Tax Fund the revenue realized for
34 the preceding month from the 1% tax on sales of food for human
35 consumption which is to be consumed off the premises where it
36 is sold (other than alcoholic beverages, soft drinks and food

1 which has been prepared for immediate consumption) and
2 prescription and nonprescription medicines, drugs, medical
3 appliances and insulin, urine testing materials, syringes and
4 needles used by diabetics.

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

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

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

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

21 Of the remainder of the moneys received by the Department
22 pursuant to this Act, (a) 1.75% thereof shall be paid into the
23 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
24 and after July 1, 1989, 3.8% thereof shall be paid into the
25 Build Illinois Fund; provided, however, that if in any fiscal
26 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
27 may be, of the moneys received by the Department and required
28 to be paid into the Build Illinois Fund pursuant to Section 3
29 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
30 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
31 Service Occupation Tax Act, such Acts being hereinafter called
32 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
33 may be, of moneys being hereinafter called the "Tax Act
34 Amount", and (2) the amount transferred to the Build Illinois
35 Fund from the State and Local Sales Tax Reform Fund shall be
36 less than the Annual Specified Amount (as defined in Section 3

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

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

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

	Fiscal Year	Total Deposit
26		
27	1993	\$0
28	1994	53,000,000
29	1995	58,000,000
30	1996	61,000,000
31	1997	64,000,000
32	1998	68,000,000
33	1999	71,000,000
34	2000	75,000,000
35	2001	80,000,000

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

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

30 Beginning July 20, 1993 and in each month of each fiscal
 31 year thereafter, one-eighth of the amount requested in the
 32 certificate of the Chairman of the Metropolitan Pier and
 33 Exposition Authority for that fiscal year, less the amount
 34 deposited into the McCormick Place Expansion Project Fund by
 35 the State Treasurer in the respective month under subsection
 36 (g) of Section 13 of the Metropolitan Pier and Exposition

1 Authority Act, plus cumulative deficiencies in the deposits
2 required under this Section for previous months and years,
3 shall be deposited into the McCormick Place Expansion Project
4 Fund, until the full amount requested for the fiscal year, but
5 not in excess of the amount specified above as "Total Deposit",
6 has been deposited.

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

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

28 Remaining moneys received by the Department pursuant to
29 this Act shall be paid into the General Revenue Fund of the
30 State Treasury.

31 The Department may, upon separate written notice to a
32 taxpayer, require the taxpayer to prepare and file with the
33 Department on a form prescribed by the Department within not
34 less than 60 days after receipt of the notice an annual
35 information return for the tax year specified in the notice.
36 Such annual return to the Department shall include a statement

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

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

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

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

31 The chief executive officer, proprietor, owner or highest
32 ranking manager shall sign the annual return to certify the
33 accuracy of the information contained therein. Any person who
34 willfully signs the annual return containing false or
35 inaccurate information shall be guilty of perjury and punished
36 accordingly. The annual return form prescribed by the

1 Department shall include a warning that the person signing the
2 return may be liable for perjury.

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

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

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

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

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

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

31 (35 ILCS 120/3) (from Ch. 120, par. 442)

32 Sec. 3. Except as provided in this Section, on or before
33 the twentieth day of each calendar month, every person engaged
34 in the business of selling tangible personal property at retail

1 in this State during the preceding calendar month shall file a
2 return with the Department, stating:

3 1. The name of the seller;

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

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

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

19 5. Deductions allowed by law;

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

23 7. The amount of credit provided in Section 2d of this
24 Act;

25 8. The amount of tax due;

26 9. The signature of the taxpayer; and

27 10. Such other reasonable information as the
28 Department may require.

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

33 Each return shall be accompanied by the statement of
34 prepaid tax issued pursuant to Section 2e for which credit is
35 claimed.

36 Prior to October 1, 2005 ~~2003~~, a retailer may accept a

1 Manufacturer's Purchase Credit certification from a purchaser
2 in satisfaction of Use Tax as provided in Section 3-85 of the
3 Use Tax Act if the purchaser provides the appropriate
4 documentation as required by Section 3-85 of the Use Tax Act. A
5 Manufacturer's Purchase Credit certification, accepted by a
6 retailer prior to October 1, 2005 ~~2003~~ as provided in Section
7 3-85 of the Use Tax Act, may be used by that retailer to
8 satisfy Retailers' Occupation Tax liability in the amount
9 claimed in the certification, not to exceed 6.25% of the
10 receipts subject to tax from a qualifying purchase. A
11 Manufacturer's Purchase Credit reported on any original or
12 amended return filed under this Act after October 20, 2005 ~~2003~~
13 shall be disallowed. No Manufacturer's Purchase Credit may be
14 used after September 30, 2005 ~~2003~~ to satisfy any tax liability
15 imposed under this Act, including any audit liability.

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

23 1. The name of the seller;

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

27 3. The total amount of taxable receipts received by him
28 during the preceding calendar month from sales of tangible
29 personal property by him during such preceding calendar
30 month, including receipts from charge and time sales, but
31 less all deductions allowed by law;

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

34 5. The amount of tax due; and

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

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

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

29 If a total amount of less than \$1 is payable, refundable or
30 creditable, such amount shall be disregarded if it is less than
31 50 cents and shall be increased to \$1 if it is 50 cents or more.

32 Beginning October 1, 1993, a taxpayer who has an average
33 monthly tax liability of \$150,000 or more shall make all
34 payments required by rules of the Department by electronic
35 funds transfer. Beginning October 1, 1994, a taxpayer who has
36 an average monthly tax liability of \$100,000 or more shall make

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

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

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

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

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

36 Any amount which is required to be shown or reported on any

1 return or other document under this Act shall, if such amount
2 is not a whole-dollar amount, be increased to the nearest
3 whole-dollar amount in any case where the fractional part of a
4 dollar is 50 cents or more, and decreased to the nearest
5 whole-dollar amount where the fractional part of a dollar is
6 less than 50 cents.

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

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

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

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

34 Where the same person has more than one business registered
35 with the Department under separate registrations under this
36 Act, such person may not file each return that is due as a

1 single return covering all such registered businesses, but
2 shall file separate returns for each such registered business.

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

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

34 The transaction reporting return, in the case of motor
35 vehicles or trailers that are required to be registered with an
36 agency of this State, shall be the same document as the Uniform

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

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

35 Such transaction reporting return shall be filed not later
36 than 20 days after the day of delivery of the item that is

1 being sold, but may be filed by the retailer at any time sooner
2 than that if he chooses to do so. The transaction reporting
3 return and tax remittance or proof of exemption from the
4 Illinois use tax may be transmitted to the Department by way of
5 the State agency with which, or State officer with whom the
6 tangible personal property must be titled or registered (if
7 titling or registration is required) if the Department and such
8 agency or State officer determine that this procedure will
9 expedite the processing of applications for title or
10 registration.

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

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

32 If the user who would otherwise pay tax to the retailer
33 wants the transaction reporting return filed and the payment of
34 the tax or proof of exemption made to the Department before the
35 retailer is willing to take these actions and such user has not
36 paid the tax to the retailer, such user may certify to the fact

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

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

22 Where the seller is a corporation, the return filed on
23 behalf of such corporation shall be signed by the president,
24 vice-president, secretary or treasurer or by the properly
25 accredited agent of such corporation.

26 Where the seller is a limited liability company, the return
27 filed on behalf of the limited liability company shall be
28 signed by a manager, member, or properly accredited agent of
29 the limited liability company.

30 Except as provided in this Section, the retailer filing the
31 return under this Section shall, at the time of filing such
32 return, pay to the Department the amount of tax imposed by this
33 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
34 on and after January 1, 1990, or \$5 per calendar year,
35 whichever is greater, which is allowed to reimburse the
36 retailer for the expenses incurred in keeping records,

1 preparing and filing returns, remitting the tax and supplying
2 data to the Department on request. Any prepayment made pursuant
3 to Section 2d of this Act shall be included in the amount on
4 which such 2.1% or 1.75% discount is computed. In the case of
5 retailers who report and pay the tax on a transaction by
6 transaction basis, as provided in this Section, such discount
7 shall be taken with each such tax remittance instead of when
8 such retailer files his periodic return.

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

1 the month of lowest liability in such 4 quarter period). If the
2 month during which such tax liability is incurred begins on or
3 after January 1, 1985 and prior to January 1, 1987, each
4 payment shall be in an amount equal to 22.5% of the taxpayer's
5 actual liability for the month or 27.5% of the taxpayer's
6 liability for the same calendar month of the preceding year. If
7 the month during which such tax liability is incurred begins on
8 or after January 1, 1987 and prior to January 1, 1988, each
9 payment shall be in an amount equal to 22.5% of the taxpayer's
10 actual liability for the month or 26.25% of the taxpayer's
11 liability for the same calendar month of the preceding year. If
12 the month during which such tax liability is incurred begins on
13 or after January 1, 1988, and prior to January 1, 1989, or
14 begins on or after January 1, 1996, each payment shall be in an
15 amount equal to 22.5% of the taxpayer's actual liability for
16 the month or 25% of the taxpayer's liability for the same
17 calendar month of the preceding year. If the month during which
18 such tax liability is incurred begins on or after January 1,
19 1989, and prior to January 1, 1996, each payment shall be in an
20 amount equal to 22.5% of the taxpayer's actual liability for
21 the month or 25% of the taxpayer's liability for the same
22 calendar month of the preceding year or 100% of the taxpayer's
23 actual liability for the quarter monthly reporting period. The
24 amount of such quarter monthly payments shall be credited
25 against the final tax liability of the taxpayer's return for
26 that month. Before October 1, 2000, once applicable, the
27 requirement of the making of quarter monthly payments to the
28 Department by taxpayers having an average monthly tax liability
29 of \$10,000 or more as determined in the manner provided above
30 shall continue until such taxpayer's average monthly liability
31 to the Department during the preceding 4 complete calendar
32 quarters (excluding the month of highest liability and the
33 month of lowest liability) is less than \$9,000, or until such
34 taxpayer's average monthly liability to the Department as
35 computed for each calendar quarter of the 4 preceding complete
36 calendar quarter period is less than \$10,000. However, if a

1 taxpayer can show the Department that a substantial change in
2 the taxpayer's business has occurred which causes the taxpayer
3 to anticipate that his average monthly tax liability for the
4 reasonably foreseeable future will fall below the \$10,000
5 threshold stated above, then such taxpayer may petition the
6 Department for a change in such taxpayer's reporting status. On
7 and after October 1, 2000, once applicable, the requirement of
8 the making of quarter monthly payments to the Department by
9 taxpayers having an average monthly tax liability of \$20,000 or
10 more as determined in the manner provided above shall continue
11 until such taxpayer's average monthly liability to the
12 Department during the preceding 4 complete calendar quarters
13 (excluding the month of highest liability and the month of
14 lowest liability) is less than \$19,000 or until such taxpayer's
15 average monthly liability to the Department as computed for
16 each calendar quarter of the 4 preceding complete calendar
17 quarter period is less than \$20,000. However, if a taxpayer can
18 show the Department that a substantial change in the taxpayer's
19 business has occurred which causes the taxpayer to anticipate
20 that his average monthly tax liability for the reasonably
21 foreseeable future will fall below the \$20,000 threshold stated
22 above, then such taxpayer may petition the Department for a
23 change in such taxpayer's reporting status. The Department
24 shall change such taxpayer's reporting status unless it finds
25 that such change is seasonal in nature and not likely to be
26 long term. If any such quarter monthly payment is not paid at
27 the time or in the amount required by this Section, then the
28 taxpayer shall be liable for penalties and interest on the
29 difference between the minimum amount due as a payment and the
30 amount of such quarter monthly payment actually and timely
31 paid, except insofar as the taxpayer has previously made
32 payments for that month to the Department in excess of the
33 minimum payments previously due as provided in this Section.
34 The Department shall make reasonable rules and regulations to
35 govern the quarter monthly payment amount and quarter monthly
36 payment dates for taxpayers who file on other than a calendar

1 monthly basis.

2 The provisions of this paragraph apply before October 1,
3 2001. Without regard to whether a taxpayer is required to make
4 quarter monthly payments as specified above, any taxpayer who
5 is required by Section 2d of this Act to collect and remit
6 prepaid taxes and has collected prepaid taxes which average in
7 excess of \$25,000 per month during the preceding 2 complete
8 calendar quarters, shall file a return with the Department as
9 required by Section 2f and shall make payments to the
10 Department on or before the 7th, 15th, 22nd and last day of the
11 month during which such liability is incurred. If the month
12 during which such tax liability is incurred began prior to the
13 effective date of this amendatory Act of 1985, each payment
14 shall be in an amount not less than 22.5% of the taxpayer's
15 actual liability under Section 2d. If the month during which
16 such tax liability is incurred begins on or after January 1,
17 1986, each payment shall be in an amount equal to 22.5% of the
18 taxpayer's actual liability for the month or 27.5% of the
19 taxpayer's liability for the same calendar month of the
20 preceding calendar year. If the month during which such tax
21 liability is incurred begins on or after January 1, 1987, each
22 payment shall be in an amount equal to 22.5% of the taxpayer's
23 actual liability for the month or 26.25% of the taxpayer's
24 liability for the same calendar month of the preceding year.
25 The amount of such quarter monthly payments shall be credited
26 against the final tax liability of the taxpayer's return for
27 that month filed under this Section or Section 2f, as the case
28 may be. Once applicable, the requirement of the making of
29 quarter monthly payments to the Department pursuant to this
30 paragraph shall continue until such taxpayer's average monthly
31 prepaid tax collections during the preceding 2 complete
32 calendar quarters is \$25,000 or less. If any such quarter
33 monthly payment is not paid at the time or in the amount
34 required, the taxpayer shall be liable for penalties and
35 interest on such difference, except insofar as the taxpayer has
36 previously made payments for that month in excess of the

1 minimum payments previously due.

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

32 If any payment provided for in this Section exceeds the
33 taxpayer's liabilities under this Act, the Use Tax Act, the
34 Service Occupation Tax Act and the Service Use Tax Act, as
35 shown on an original monthly return, the Department shall, if
36 requested by the taxpayer, issue to the taxpayer a credit

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

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

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

33 Beginning January 1, 1990, each month the Department shall
34 pay into the County and Mass Transit District Fund, a special
35 fund in the State treasury which is hereby created, 4% of the
36 net revenue realized for the preceding month from the 6.25%

1 general rate.

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

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

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

14 Of the remainder of the moneys received by the Department
 15 pursuant to this Act, (a) 1.75% thereof shall be paid into the
 16 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
 17 and after July 1, 1989, 3.8% thereof shall be paid into the
 18 Build Illinois Fund; provided, however, that if in any fiscal
 19 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
 20 may be, of the moneys received by the Department and required
 21 to be paid into the Build Illinois Fund pursuant to this Act,
 22 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
 23 Act, and Section 9 of the Service Occupation Tax Act, such Acts
 24 being hereinafter called the "Tax Acts" and such aggregate of
 25 2.2% or 3.8%, as the case may be, of moneys being hereinafter
 26 called the "Tax Act Amount", and (2) the amount transferred to
 27 the Build Illinois Fund from the State and Local Sales Tax
 28 Reform Fund shall be less than the Annual Specified Amount (as
 29 hereinafter defined), an amount equal to the difference shall
 30 be immediately paid into the Build Illinois Fund from other
 31 moneys received by the Department pursuant to the Tax Acts; the
 32 "Annual Specified Amount" means the amounts specified below for
 33 fiscal years 1986 through 1993:

34 Fiscal Year	Annual Specified Amount
35 1986	\$54,800,000
36 1987	\$76,650,000

1	1988	\$80,480,000
2	1989	\$88,510,000
3	1990	\$115,330,000
4	1991	\$145,470,000
5	1992	\$182,730,000
6	1993	\$206,520,000;

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

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

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

Fiscal Year	Total Deposit
33 1993	\$0
34 1994	53,000,000
35 1995	58,000,000

1	1996	61,000,000
2	1997	64,000,000
3	1998	68,000,000
4	1999	71,000,000
5	2000	75,000,000
6	2001	80,000,000
7	2002	93,000,000
8	2003	99,000,000
9	2004	103,000,000
10	2005	108,000,000
11	2006	113,000,000
12	2007	119,000,000
13	2008	126,000,000
14	2009	132,000,000
15	2010	139,000,000
16	2011	146,000,000
17	2012	153,000,000
18	2013	161,000,000
19	2014	170,000,000
20	2015	179,000,000
21	2016	189,000,000
22	2017	199,000,000
23	2018	210,000,000
24	2019	221,000,000
25	2020	233,000,000
26	2021	246,000,000
27	2022	260,000,000
28	2023 and	275,000,000

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

36 Beginning July 20, 1993 and in each month of each fiscal

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

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

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

34 Of the remainder of the moneys received by the Department
35 pursuant to this Act, 75% thereof shall be paid into the State
36 Treasury and 25% shall be reserved in a special account and

1 used only for the transfer to the Common School Fund as part of
2 the monthly transfer from the General Revenue Fund in
3 accordance with Section 8a of the State Finance Act.

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

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

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

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

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

12 The provisions of this Section concerning the filing of an
13 annual information return do not apply to a retailer who is not
14 required to file an income tax return with the United States
15 Government.

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

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

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

34 Any person who promotes, organizes, provides retail
35 selling space for concessionaires or other types of sellers at
36 the Illinois State Fair, DuQuoin State Fair, county fairs,

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

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

35 (Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-208,
36 eff. 8-2-01; 92-484, eff. 8-23-01; 92-492, eff. 1-1-02; 92-600,

1 eff. 6-28-02; 92-651, eff. 7-11-02; 93-22, eff. 6-20-03; 93-24,
2 eff. 6-20-03; revised 10-15-03.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.