



**Filed: 02/19/04**

09300HB4234ham001

LRB093 16236 BDD 47515 a

1 AMENDMENT TO HOUSE BILL 4234

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4234 by replacing  
3 everything after the enacting clause with the following:

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

1 2-30 of the Retailers' Occupation Tax Act. Beginning July 1,  
2 1996, all references in this Section to manufacturers or  
3 manufacturing shall also be deemed to refer to graphic arts  
4 producers or graphic arts production.

5 The amount of credit shall be a percentage of the tax that  
6 would have been incurred on the purchase of manufacturing  
7 machinery and equipment or graphic arts machinery and equipment  
8 if the exemptions provided by paragraph (6) or paragraph (18)  
9 of Section 3-5 of this Act had not been applicable. The  
10 percentage shall be as follows:

11 (1) 15% for purchases made on or before June 30, 1995.

12 (2) 25% for purchases made after June 30, 1995, and on  
13 or before June 30, 1996.

14 (3) 40% for purchases made after June 30, 1996, and on  
15 or before June 30, 1997.

16 (4) 50% for purchases made on or after July 1, 1997.

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

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

31 The Manufacturer's Purchase Credit may be used to satisfy  
32 liability under the Use Tax Act or the Service Use Tax Act due  
33 on the purchase of production related tangible personal  
34 property (including purchases by a manufacturer, by a graphic

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

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

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

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

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

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

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

1           If the purchaser is not the manufacturer or a graphic arts  
2 producer, but rents or leases the use of the property to a  
3 manufacturer or graphic arts producer, the purchaser may earn,  
4 report, and use Manufacturer's Purchase Credit in the same  
5 manner as a manufacturer or graphic arts producer.

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

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

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

20           (35 ILCS 110/3-70)

21           Sec. 3-70. Manufacturer's Purchase Credit. For purchases  
22 of machinery and equipment made on and after January 1, 1995  
23 and through June 30, 2003, a purchaser of manufacturing  
24 machinery and equipment that qualifies for the exemption  
25 provided by Section 2 of this Act earns a credit in an amount  
26 equal to a fixed percentage of the tax which would have been  
27 incurred under this Act on those purchases. For purchases of  
28 graphic arts machinery and equipment made on or after July 1,  
29 1996 and through June 30, 2003, a purchase of graphic arts  
30 machinery and equipment that qualifies for the exemption  
31 provided by paragraph (5) of Section 3-5 of this Act earns a  
32 credit in an amount equal to a fixed percentage of the tax that



1 would have been incurred under this Act on those purchases. The  
2 credit earned for the purchase of manufacturing machinery and  
3 equipment and graphic arts machinery and equipment shall be  
4 referred to as the Manufacturer's Purchase Credit. A graphic  
5 arts producer is a person engaged in graphic arts production as  
6 defined in Section 3-30 of the Service Occupation Tax Act.  
7 Beginning July 1, 1996, all references in this Section to  
8 manufacturers or manufacturing shall also refer to graphic arts  
9 producers or graphic arts production.

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

15 All purchases prior to October 1, 2003 of manufacturing  
16 machinery and equipment and graphic arts machinery and  
17 equipment that qualify for the exemptions provided by paragraph  
18 (5) of Section 2 or paragraph (5) of Section 3-5 of this Act  
19 qualify for the credit without regard to whether the serviceman  
20 elected, or could have elected, under paragraph (7) of Section  
21 2 of this Act to exclude the transaction from this Act. If the  
22 serviceman's billing to the service customer separately states  
23 a selling price for the exempt manufacturing machinery or  
24 equipment or the exempt graphic arts machinery and equipment,  
25 the credit shall be calculated, as otherwise provided herein,  
26 based on that selling price. If the serviceman's billing does  
27 not separately state a selling price for the exempt  
28 manufacturing machinery and equipment or the exempt graphic  
29 arts machinery and equipment, the credit shall be calculated,  
30 as otherwise provided herein, based on 50% of the entire  
31 billing. If the serviceman contracts to design, develop, and  
32 produce special order manufacturing machinery and equipment or  
33 special order graphic arts machinery and equipment, and the  
34 billing does not separately state a selling price for such

1 special order machinery and equipment, the credit shall be  
2 calculated, as otherwise provided herein, based on 50% of the  
3 entire billing. The provisions of this paragraph are effective  
4 for purchases made on or after January 1, 1995.

5 The percentage shall be as follows:

6 (1) 15% for purchases made on or before June 30, 1995.

7 (2) 25% for purchases made after June 30, 1995, and on  
8 or before June 30, 1996.

9 (3) 40% for purchases made after June 30, 1996, and on  
10 or before June 30, 1997.

11 (4) 50% for purchases made on or after July 1, 1997.

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

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

26 The Manufacturer's Purchase Credit may be used to satisfy  
27 liability under the Use Tax Act or the Service Use Tax Act due  
28 on the purchase of production related tangible personal  
29 property (including purchases by a manufacturer, by a graphic  
30 arts producer, or a lessor who rents or leases the use of the  
31 property to a manufacturer or graphic arts producer) that does  
32 not otherwise qualify for the manufacturing machinery and  
33 equipment exemption or the graphic arts machinery and equipment  
34 exemption. "Production related tangible personal property"

1 means (i) all tangible personal property used or consumed by  
2 the purchaser in a manufacturing facility in which a  
3 manufacturing process described in Section 2-45 of the  
4 Retailers' Occupation Tax Act takes place, including tangible  
5 personal property purchased for incorporation into real estate  
6 within a manufacturing facility and including, but not limited  
7 to, tangible personal property used or consumed in activities  
8 such as pre-production material handling, receiving, quality  
9 control, inventory control, storage, staging, and packaging  
10 for shipping and transportation purposes; (ii) all tangible  
11 personal property used or consumed by the purchaser in a  
12 graphic arts facility in which graphic arts production as  
13 described in Section 2-30 of the Retailers' Occupation Tax Act  
14 takes place, including tangible personal property purchased  
15 for incorporation into real estate within a graphic arts  
16 facility and including, but not limited to, all tangible  
17 personal property used or consumed in activities such as  
18 graphic arts preliminary or pre-press production,  
19 pre-production material handling, receiving, quality control,  
20 inventory control, storage, staging, sorting, labeling,  
21 mailing, tying, wrapping, and packaging; and (iii) all tangible  
22 personal property used or consumed by the purchaser for  
23 research and development. "Production related tangible  
24 personal property" does not include (i) tangible personal  
25 property used, within or without a manufacturing or graphic  
26 arts facility, in sales, purchasing, accounting, fiscal  
27 management, marketing, personnel recruitment or selection, or  
28 landscaping or (ii) tangible personal property required to be  
29 titled or registered with a department, agency, or unit of  
30 federal, state, or local government. The Manufacturer's  
31 Purchase Credit may be used, prior to October 1, 2005 ~~2003~~, to  
32 satisfy the tax arising either from the purchase of machinery  
33 and equipment on or after January 1, 1995 for which the  
34 manufacturing machinery and equipment exemption provided by

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

26 A purchaser earning Manufacturer's Purchase Credit shall  
27 sign and file an annual Report of Manufacturer's Purchase  
28 Credit Earned for each calendar year no later than the last day  
29 of the sixth month following the calendar year in which a  
30 Manufacturer's Purchase Credit is earned. A Report of  
31 Manufacturer's Purchase Credit Earned shall be filed on forms  
32 as prescribed or approved by the Department and shall state,  
33 for each month of the calendar year: (i) the total purchase  
34 price of all purchases of exempt manufacturing or graphic arts

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

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

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

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



1 period.

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

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

- 16 1. The name of the seller;
- 17 2. The address of the principal place of business from  
18 which he engages in business as a serviceman in this State;
- 19 3. The total amount of taxable receipts received by him  
20 during the preceding calendar month, including receipts  
21 from charge and time sales, but less all deductions allowed  
22 by law;
- 23 4. The amount of credit provided in Section 2d of this  
24 Act;
- 25 5. The amount of tax due;
- 26 5-5. The signature of the taxpayer; and
- 27 6. Such other reasonable information as the Department  
28 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 Prior to October 1, 2005 ~~2003~~, a serviceman may accept a  
34 Manufacturer's Purchase Credit certification from a purchaser

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

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

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

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

33 Notwithstanding any other provision in this Act concerning  
34 the time within which a serviceman may file his return, in the

1 case of any serviceman who ceases to engage in a kind of  
2 business which makes him responsible for filing returns under  
3 this Act, such serviceman shall file a final return under this  
4 Act with the Department not more than 1 month after  
5 discontinuing such business.

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

31 Before August 1 of each year beginning in 1993, the  
32 Department shall notify all taxpayers required to make payments  
33 by electronic funds transfer. All taxpayers required to make  
34 payments by electronic funds transfer shall make those payments

1 for a minimum of one year beginning on October 1.

2 Any taxpayer not required to make payments by electronic  
3 funds transfer may make payments by electronic funds transfer  
4 with the permission of the Department.

5 All taxpayers required to make payment by electronic funds  
6 transfer and any taxpayers authorized to voluntarily make  
7 payments by electronic funds transfer shall make those payments  
8 in the manner authorized by the Department.

9 The Department shall adopt such rules as are necessary to  
10 effectuate a program of electronic funds transfer and the  
11 requirements of this Section.

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

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

1 form.

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

6 Beginning January 1, 1990, each month the Department shall  
7 pay into the Local Government Tax Fund the revenue realized for  
8 the preceding month from the 1% tax on sales of food for human  
9 consumption which is to be consumed off the premises where it  
10 is sold (other than alcoholic beverages, soft drinks and food  
11 which has been prepared for immediate consumption) and  
12 prescription and nonprescription medicines, drugs, medical  
13 appliances and insulin, urine testing materials, syringes and  
14 needles used by diabetics.

15 Beginning January 1, 1990, each month the Department shall  
16 pay into the County and Mass Transit District Fund 4% of the  
17 revenue realized for the preceding month from the 6.25% general  
18 rate.

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

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

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

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

1 Build Illinois Fund; provided, however, that if in any fiscal  
2 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
3 may be, of the moneys received by the Department and required  
4 to be paid into the Build Illinois Fund pursuant to Section 3  
5 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
6 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
7 Service Occupation Tax Act, such Acts being hereinafter called  
8 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
9 may be, of moneys being hereinafter called the "Tax Act  
10 Amount", and (2) the amount transferred to the Build Illinois  
11 Fund from the State and Local Sales Tax Reform Fund shall be  
12 less than the Annual Specified Amount (as defined in Section 3  
13 of the Retailers' Occupation Tax Act), an amount equal to the  
14 difference shall be immediately paid into the Build Illinois  
15 Fund from other moneys received by the Department pursuant to  
16 the Tax Acts; and further provided, that if on the last  
17 business day of any month the sum of (1) the Tax Act Amount  
18 required to be deposited into the Build Illinois Account in the  
19 Build Illinois Fund during such month and (2) the amount  
20 transferred during such month to the Build Illinois Fund from  
21 the State and Local Sales Tax Reform Fund shall have been less  
22 than 1/12 of the Annual Specified Amount, an amount equal to  
23 the difference shall be immediately paid into the Build  
24 Illinois Fund from other moneys received by the Department  
25 pursuant to the Tax Acts; and, further provided, that in no  
26 event shall the payments required under the preceding proviso  
27 result in aggregate payments into the Build Illinois Fund  
28 pursuant to this clause (b) for any fiscal year in excess of  
29 the greater of (i) the Tax Act Amount or (ii) the Annual  
30 Specified Amount for such fiscal year; and, further provided,  
31 that the amounts payable into the Build Illinois Fund under  
32 this clause (b) shall be payable only until such time as the  
33 aggregate amount on deposit under each trust indenture securing  
34 Bonds issued and outstanding pursuant to the Build Illinois

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

28 Subject to payment of amounts into the Build Illinois Fund  
29 as provided in the preceding paragraph or in any amendment  
30 thereto hereafter enacted, the following specified monthly  
31 installment of the amount requested in the certificate of the  
32 Chairman of the Metropolitan Pier and Exposition Authority  
33 provided under Section 8.25f of the State Finance Act, but not  
34 in excess of the sums designated as "Total Deposit", shall be

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

	Fiscal Year	Total Deposit
6		
7	1993	\$0
8	1994	53,000,000
9	1995	58,000,000
10	1996	61,000,000
11	1997	64,000,000
12	1998	68,000,000
13	1999	71,000,000
14	2000	75,000,000
15	2001	80,000,000
16	2002	93,000,000
17	2003	99,000,000
18	2004	103,000,000
19	2005	108,000,000
20	2006	113,000,000
21	2007	119,000,000
22	2008	126,000,000
23	2009	132,000,000
24	2010	139,000,000
25	2011	146,000,000
26	2012	153,000,000
27	2013	161,000,000
28	2014	170,000,000
29	2015	179,000,000
30	2016	189,000,000
31	2017	199,000,000
32	2018	210,000,000
33	2019	221,000,000



1	2020	233,000,000
2	2021	246,000,000
3	2022	260,000,000
4	2023 and	275,000,000

5 each fiscal year

6 thereafter that bonds

7 are outstanding under

8 Section 13.2 of the

9 Metropolitan Pier and

10 Exposition Authority Act,

11 but not after fiscal year 2042.

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

25 Subject to payment of amounts into the Build Illinois Fund  
26 and the McCormick Place Expansion Project Fund pursuant to the  
27 preceding paragraphs or in any amendments thereto hereafter  
28 enacted, beginning July 1, 1993, the Department shall each  
29 month pay into the Illinois Tax Increment Fund 0.27% of 80% of  
30 the net revenue realized for the preceding month from the 6.25%  
31 general rate on the selling price of tangible personal  
32 property.

33 Subject to payment of amounts into the Build Illinois Fund  
34 and the McCormick Place Expansion Project Fund pursuant to the

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

12 Remaining moneys received by the Department pursuant to  
13 this Act shall be paid into the General Revenue Fund of the  
14 State Treasury.

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

1 helpful in determining the accuracy of the monthly, quarterly  
2 or annual returns filed by such taxpayer as hereinbefore  
3 provided for in this Section.

4 If the annual information return required by this Section  
5 is not filed when and as required, the taxpayer shall be liable  
6 as follows:

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

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

17 The chief executive officer, proprietor, owner or highest  
18 ranking manager shall sign the annual return to certify the  
19 accuracy of the information contained therein. Any person who  
20 willfully signs the annual return containing false or  
21 inaccurate information shall be guilty of perjury and punished  
22 accordingly. The annual return form prescribed by the  
23 Department shall include a warning that the person signing the  
24 return may be liable for perjury.

25 The foregoing portion of this Section concerning the filing  
26 of an annual information return shall not apply to a serviceman  
27 who is not required to file an income tax return with the  
28 United States Government.

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

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

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

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

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

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

19 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

25 1. The name of the seller;

26 2. His residence address and the address of his  
27 principal place of business and the address of the  
28 principal place of business (if that is a different  
29 address) from which he engages in the business of selling  
30 tangible personal property at retail in this State;

31 3. Total amount of receipts received by him during the  
32 preceding calendar month or quarter, as the case may be,

1 from sales of tangible personal property, and from services  
2 furnished, by him during such preceding calendar month or  
3 quarter;

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

9 5. Deductions allowed by law;

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

13 7. The amount of credit provided in Section 2d of this  
14 Act;

15 8. The amount of tax due;

16 9. The signature of the taxpayer; and

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

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

23 Each return shall be accompanied by the statement of  
24 prepaid tax issued pursuant to Section 2e for which credit is  
25 claimed.

26 Prior to October 1, 2005 ~~2003~~, a retailer may accept a  
27 Manufacturer's Purchase Credit certification from a purchaser  
28 in satisfaction of Use Tax as provided in Section 3-85 of the  
29 Use Tax Act if the purchaser provides the appropriate  
30 documentation as required by Section 3-85 of the Use Tax Act. A  
31 Manufacturer's Purchase Credit certification, accepted by a  
32 retailer prior to October 1, 2005 ~~2003~~ as provided in Section  
33 3-85 of the Use Tax Act, may be used by that retailer to  
34 satisfy Retailers' Occupation Tax liability in the amount

1 claimed in the certification, not to exceed 6.25% of the  
2 receipts subject to tax from a qualifying purchase. A  
3 Manufacturer's Purchase Credit reported on any original or  
4 amended return filed under this Act after October 20, 2005 ~~2003~~  
5 shall be disallowed. No Manufacturer's Purchase Credit may be  
6 used after September 30, 2005 ~~2003~~ to satisfy any tax liability  
7 imposed under this Act, including any audit liability.

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

15 1. The name of the seller;

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

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

24 4. The amount of credit provided in Section 2d of this  
25 Act;

26 5. The amount of tax due; and

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

29 Beginning on October 1, 2003, any person who is not a  
30 licensed distributor, importing distributor, or manufacturer,  
31 as defined in the Liquor Control Act of 1934, but is engaged in  
32 the business of selling, at retail, alcoholic liquor shall file  
33 a statement with the Department of Revenue, in a format and at  
34 a time prescribed by the Department, showing the total amount

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

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

23 If a total amount of less than \$1 is payable, refundable or  
24 creditable, such amount shall be disregarded if it is less than  
25 50 cents and shall be increased to \$1 if it is 50 cents or more.

26 Beginning October 1, 1993, a taxpayer who has an average  
27 monthly tax liability of \$150,000 or more shall make all  
28 payments required by rules of the Department by electronic  
29 funds transfer. Beginning October 1, 1994, a taxpayer who has  
30 an average monthly tax liability of \$100,000 or more shall make  
31 all payments required by rules of the Department by electronic  
32 funds transfer. Beginning October 1, 1995, a taxpayer who has  
33 an average monthly tax liability of \$50,000 or more shall make  
34 all payments required by rules of the Department by electronic

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

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

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

25 All taxpayers required to make payment by electronic funds  
26 transfer and any taxpayers authorized to voluntarily make  
27 payments by electronic funds transfer shall make those payments  
28 in the manner authorized by the Department.

29 The Department shall adopt such rules as are necessary to  
30 effectuate a program of electronic funds transfer and the  
31 requirements of this Section.

32 Any amount which is required to be shown or reported on any  
33 return or other document under this Act shall, if such amount  
34 is not a whole-dollar amount, be increased to the nearest



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

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

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

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

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

32 Where the same person has more than one business registered  
33 with the Department under separate registrations under this  
34 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

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

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

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

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

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

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

1 mandate of this paragraph.

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

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

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

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

1 the limited liability company.

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

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

1 next following the month during which such tax liability is  
2 incurred and shall make payment to the Department on or before  
3 the 7th, 15th, 22nd and last day of the month during which such  
4 liability is incurred. If the month during which such tax  
5 liability is incurred began prior to January 1, 1985, each  
6 payment shall be in an amount equal to 1/4 of the taxpayer's  
7 actual liability for the month or an amount set by the  
8 Department not to exceed 1/4 of the average monthly liability  
9 of the taxpayer to the Department for the preceding 4 complete  
10 calendar quarters (excluding the month of highest liability and  
11 the month of lowest liability in such 4 quarter period). If the  
12 month during which such tax liability is incurred begins on or  
13 after January 1, 1985 and prior to January 1, 1987, each  
14 payment shall be in an amount equal to 22.5% of the taxpayer's  
15 actual liability for the month or 27.5% of the taxpayer's  
16 liability for the same calendar month of the preceding year. If  
17 the month during which such tax liability is incurred begins on  
18 or after January 1, 1987 and prior to January 1, 1988, each  
19 payment shall be in an amount equal to 22.5% of the taxpayer's  
20 actual liability for the month or 26.25% of the taxpayer's  
21 liability for the same calendar month of the preceding year. If  
22 the month during which such tax liability is incurred begins on  
23 or after January 1, 1988, and prior to January 1, 1989, or  
24 begins on or after January 1, 1996, each payment shall be in an  
25 amount equal to 22.5% of the taxpayer's actual liability for  
26 the month or 25% of the taxpayer's liability for the same  
27 calendar month of the preceding year. If the month during which  
28 such tax liability is incurred begins on or after January 1,  
29 1989, and prior to January 1, 1996, each payment shall be in an  
30 amount equal to 22.5% of the taxpayer's actual liability for  
31 the month or 25% of the taxpayer's liability for the same  
32 calendar month of the preceding year or 100% of the taxpayer's  
33 actual liability for the quarter monthly reporting period. The  
34 amount of such quarter monthly payments shall be credited

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



1 change in such taxpayer's reporting status. The Department  
2 shall change such taxpayer's reporting status unless it finds  
3 that such change is seasonal in nature and not likely to be  
4 long term. If any such quarter monthly payment is not paid at  
5 the time or in the amount required by this Section, then the  
6 taxpayer shall be liable for penalties and interest on the  
7 difference between the minimum amount due as a payment and the  
8 amount of such quarter monthly payment actually and timely  
9 paid, except insofar as the taxpayer has previously made  
10 payments for that month to the Department in excess of the  
11 minimum payments previously due as provided in this Section.  
12 The Department shall make reasonable rules and regulations to  
13 govern the quarter monthly payment amount and quarter monthly  
14 payment dates for taxpayers who file on other than a calendar  
15 monthly basis.

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

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

18 The provisions of this paragraph apply on and after October  
19 1, 2001. Without regard to whether a taxpayer is required to  
20 make quarter monthly payments as specified above, any taxpayer  
21 who is required by Section 2d of this Act to collect and remit  
22 prepaid taxes and has collected prepaid taxes that average in  
23 excess of \$20,000 per month during the preceding 4 complete  
24 calendar quarters shall file a return with the Department as  
25 required by Section 2f and shall make payments to the  
26 Department on or before the 7th, 15th, 22nd and last day of the  
27 month during which the liability is incurred. Each payment  
28 shall be in an amount equal to 22.5% of the taxpayer's actual  
29 liability for the month or 25% of the taxpayer's liability for  
30 the same calendar month of the preceding year. The amount of  
31 the quarter monthly payments shall be credited against the  
32 final tax liability of the taxpayer's return for that month  
33 filed under this Section or Section 2f, as the case may be.  
34 Once applicable, the requirement of the making of quarter

1 monthly payments to the Department pursuant to this paragraph  
2 shall continue until the taxpayer's average monthly prepaid tax  
3 collections during the preceding 4 complete calendar quarters  
4 (excluding the month of highest liability and the month of  
5 lowest liability) is less than \$19,000 or until such taxpayer's  
6 average monthly liability to the Department as computed for  
7 each calendar quarter of the 4 preceding complete calendar  
8 quarters is less than \$20,000. If any such quarter monthly  
9 payment is not paid at the time or in the amount required, the  
10 taxpayer shall be liable for penalties and interest on such  
11 difference, except insofar as the taxpayer has previously made  
12 payments for that month in excess of the minimum payments  
13 previously due.

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

1 interest on such difference.

2 If a retailer of motor fuel is entitled to a credit under  
3 Section 2d of this Act which exceeds the taxpayer's liability  
4 to the Department under this Act for the month which the  
5 taxpayer is filing a return, the Department shall issue the  
6 taxpayer a credit memorandum for the excess.

7 Beginning January 1, 1990, each month the Department shall  
8 pay into the Local Government Tax Fund, a special fund in the  
9 State treasury which is hereby created, the net revenue  
10 realized for the preceding month from the 1% tax on sales of  
11 food for human consumption which is to be consumed off the  
12 premises where it is sold (other than alcoholic beverages, soft  
13 drinks and food which has been prepared for immediate  
14 consumption) and prescription and nonprescription medicines,  
15 drugs, medical appliances and insulin, urine testing  
16 materials, syringes and needles used by diabetics.

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

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

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

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

34 Of the remainder of the moneys received by the Department

1 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
 2 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
 3 and after July 1, 1989, 3.8% thereof shall be paid into the  
 4 Build Illinois Fund; provided, however, that if in any fiscal  
 5 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
 6 may be, of the moneys received by the Department and required  
 7 to be paid into the Build Illinois Fund pursuant to this Act,  
 8 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax  
 9 Act, and Section 9 of the Service Occupation Tax Act, such Acts  
 10 being hereinafter called the "Tax Acts" and such aggregate of  
 11 2.2% or 3.8%, as the case may be, of moneys being hereinafter  
 12 called the "Tax Act Amount", and (2) the amount transferred to  
 13 the Build Illinois Fund from the State and Local Sales Tax  
 14 Reform Fund shall be less than the Annual Specified Amount (as  
 15 hereinafter defined), an amount equal to the difference shall  
 16 be immediately paid into the Build Illinois Fund from other  
 17 moneys received by the Department pursuant to the Tax Acts; the  
 18 "Annual Specified Amount" means the amounts specified below for  
 19 fiscal years 1986 through 1993:

20	Fiscal Year	Annual Specified Amount
21	1986	\$54,800,000
22	1987	\$76,650,000
23	1988	\$80,480,000
24	1989	\$88,510,000
25	1990	\$115,330,000
26	1991	\$145,470,000
27	1992	\$182,730,000
28	1993	\$206,520,000;

29 and means the Certified Annual Debt Service Requirement (as  
 30 defined in Section 13 of the Build Illinois Bond Act) or the  
 31 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
 32 each fiscal year thereafter; and further provided, that if on  
 33 the last business day of any month the sum of (1) the Tax Act  
 34 Amount required to be deposited into the Build Illinois Bond

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

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

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

	Fiscal Year	Total Deposit
22		
23	1993	\$0
24	1994	53,000,000
25	1995	58,000,000
26	1996	61,000,000
27	1997	64,000,000
28	1998	68,000,000
29	1999	71,000,000
30	2000	75,000,000
31	2001	80,000,000
32	2002	93,000,000
33	2003	99,000,000

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

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

28           Beginning July 20, 1993 and in each month of each fiscal  
29           year thereafter, one-eighth of the amount requested in the  
30           certificate of the Chairman of the Metropolitan Pier and  
31           Exposition Authority for that fiscal year, less the amount  
32           deposited into the McCormick Place Expansion Project Fund by  
33           the State Treasurer in the respective month under subsection  
34           (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 Of the remainder of the moneys received by the Department  
29 pursuant to this Act, 75% thereof shall be paid into the State  
30 Treasury and 25% shall be reserved in a special account and  
31 used only for the transfer to the Common School Fund as part of  
32 the monthly transfer from the General Revenue Fund in  
33 accordance with Section 8a of the State Finance Act.

34 The Department may, upon separate written notice to a

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

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

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

33 (ii) On and after January 1, 1994, the taxpayer shall  
34 be liable for a penalty as described in Section 3-4 of the

1 Uniform Penalty and Interest Act.

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

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

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

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

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

32 Any person who promotes, organizes, provides retail  
33 selling space for concessionaires or other types of sellers at  
34 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.

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

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.".