



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

SB2712

Introduced 1/20/2006, by Sen. Dale E. Risinger

#### SYNOPSIS AS INTRODUCED:

20 ILCS 689/15	
20 ILCS 689/20	
20 ILCS 689/35 new	
30 ILCS 105/5.663 new	
30 ILCS 105/8h	
35 ILCS 105/3-5	from Ch. 120, par. 439.3-5
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-5	from Ch. 120, par. 439.33-5
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-5	from Ch. 120, par. 439.103-5
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-5	from Ch. 120, par. 441-5
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Illinois Renewable Fuels Development Program Act. Prohibits the Department of Commerce and Economic Opportunity from approving any grant for the new construction of a renewable fuel plant unless the applicant provides proof of financial backing and identifies investors in the project. Provides that grant awards are subject to appropriation from the Renewable Fuels Development Program Fund (now, the Build Illinois Bond Fund). Deletes the \$15,000,000 limit on grant awards. Creates the Renewable Fuels Development Program Fund to be used by the Department for the purposes of the Renewable Fuels Development Program. Amends the State Finance Act. Exempts the Renewable Fuels Development Program Fund and the Underground Storage Tank Fund from the Act's administrative charge-back provisions. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that certain distillation machinery and equipment used for the production of renewable fuel is exempt from taxation under the Acts. Provides that 5% of the proceeds collected under the Acts from the tax on the sale or use of motor fuel must be deposited into the Renewable Fuels Development Program Fund and 5% must be deposited into the Underground Storage Tank Fund. Effective immediately.

LRB094 18867 BDD 54307 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Renewable Fuels Development  
5 Program Act is amended by changing Sections 15 and 20 and by  
6 adding Section 35 as follows:

7 (20 ILCS 689/15)

8 Sec. 15. Illinois Renewable Fuels Development Program.

9 (a) The Department must develop and administer the Illinois  
10 Renewable Fuels Development Program to assist in the  
11 construction, modification, alteration, or retrofitting of  
12 renewable fuel plants in Illinois. The recipient of a grant  
13 under this Section must:

14 (1) be constructing, modifying, altering, or  
15 retrofitting a plant in the State of Illinois;

16 (2) be constructing, modifying, altering, or  
17 retrofitting a plant that has annual production capacity of  
18 no less than 30,000,000 gallons of renewable fuel per year;  
19 and

20 (3) enter into a project labor agreement as prescribed  
21 by Section 25 of this Act.

22 (b) Grant applications must be made on forms provided by  
23 and in accordance with procedures established by the  
24 Department.

25 (c) The Department must give preference to applicants that  
26 use Illinois agricultural products in the production of  
27 renewable fuel at the plant for which the grant is being  
28 requested.

29 (d) The Department shall not approve a grant for the new  
30 construction of a renewable fuel plant in Illinois under this  
31 Section unless the grant applicant provides proof of financial  
32 backing and identifies investors in the project.

1 (Source: P.A. 93-15, eff. 6-11-03.)

2 (20 ILCS 689/20)

3 Sec. 20. Grants. Subject to appropriation from the  
4 Renewable Fuels Development Program Fund ~~Build Illinois Bond~~  
5 ~~Fund~~, the Director is authorized to award grants to eligible  
6 applicants. ~~The annual aggregate amount of grants awarded shall~~  
7 ~~not exceed \$15,000,000.~~

8 (Source: P.A. 93-15, eff. 6-11-03; 93-618, eff. 12-11-03.)

9 (20 ILCS 689/35 new)

10 Sec. 35. Renewable Fuels Development Program Fund. The  
11 Renewable Fuels Development Program Fund is created as a  
12 special fund in the State treasury. The Fund shall be used by  
13 the Department for the administration of the Renewable Fuels  
14 Development Program and for grants under the Program. Moneys  
15 from gifts, donations, appropriations, and other legal sources  
16 shall be deposited into the Fund. Income earned on moneys in  
17 the Fund shall be deposited into the Fund.

18 Section 10. The State Finance Act is amended by changing  
19 Section 8h and by adding Section 5.663 as follows:

20 (30 ILCS 105/5.663 new)

21 Sec. 5.663. The Renewable Fuels Development Program Fund.

22 (30 ILCS 105/8h)

23 Sec. 8h. Transfers to General Revenue Fund.

24 (a) Except as provided in subsection (b), notwithstanding  
25 any other State law to the contrary, the Governor may, through  
26 June 30, 2007, from time to time direct the State Treasurer and  
27 Comptroller to transfer a specified sum from any fund held by  
28 the State Treasurer to the General Revenue Fund in order to  
29 help defray the State's operating costs for the fiscal year.  
30 The total transfer under this Section from any fund in any  
31 fiscal year shall not exceed the lesser of (i) 8% of the

1 revenues to be deposited into the fund during that fiscal year  
2 or (ii) an amount that leaves a remaining fund balance of 25%  
3 of the July 1 fund balance of that fiscal year. In fiscal year  
4 2005 only, prior to calculating the July 1, 2004 final  
5 balances, the Governor may calculate and direct the State  
6 Treasurer with the Comptroller to transfer additional amounts  
7 determined by applying the formula authorized in Public Act  
8 93-839 to the funds balances on July 1, 2003. No transfer may  
9 be made from a fund under this Section that would have the  
10 effect of reducing the available balance in the fund to an  
11 amount less than the amount remaining unexpended and unreserved  
12 from the total appropriation from that fund estimated to be  
13 expended for that fiscal year. This Section does not apply to  
14 any funds that are restricted by federal law to a specific use,  
15 to any funds in the Motor Fuel Tax Fund, the Intercity  
16 Passenger Rail Fund, the Hospital Provider Fund, the Medicaid  
17 Provider Relief Fund, the Teacher Health Insurance Security  
18 Fund, the Reviewing Court Alternative Dispute Resolution Fund,  
19 ~~or~~ the Voters' Guide Fund, the Foreign Language Interpreter  
20 Fund, the Lawyers' Assistance Program Fund, the Supreme Court  
21 Federal Projects Fund, the Supreme Court Special State Projects  
22 Fund, ~~or~~ the Low-Level Radioactive Waste Facility Development  
23 and Operation Fund, or the Hospital Basic Services Preservation  
24 Fund, or to any funds to which subsection (f) of Section 20-40  
25 of the Nursing and Advanced Practice Nursing Act applies. No  
26 transfers may be made under this Section from the Pet  
27 Population Control Fund. Notwithstanding any other provision  
28 of this Section, for fiscal year 2004, the total transfer under  
29 this Section from the Road Fund or the State Construction  
30 Account Fund shall not exceed the lesser of (i) 5% of the  
31 revenues to be deposited into the fund during that fiscal year  
32 or (ii) 25% of the beginning balance in the fund. For fiscal  
33 year 2005 through fiscal year 2007, no amounts may be  
34 transferred under this Section from the Road Fund, the State  
35 Construction Account Fund, the Criminal Justice Information  
36 Systems Trust Fund, the Wireless Service Emergency Fund, or the

1 Mandatory Arbitration Fund.

2 In determining the available balance in a fund, the  
3 Governor may include receipts, transfers into the fund, and  
4 other resources anticipated to be available in the fund in that  
5 fiscal year.

6 The State Treasurer and Comptroller shall transfer the  
7 amounts designated under this Section as soon as may be  
8 practicable after receiving the direction to transfer from the  
9 Governor.

10 (b) This Section does not apply to: (i) the Ticket For The  
11 Cure Fund; (ii) ~~or to~~ any fund established under the Community  
12 Senior Services and Resources Act; or (iii) ~~(ii)~~ on or after  
13 January 1, 2006 (the effective date of Public Act 94-511) ~~this~~  
14 ~~amendatory Act of the 94th General Assembly~~, the Child Labor  
15 and Day and Temporary Labor Enforcement Fund.

16 (c) This Section does not apply to the Demutualization  
17 Trust Fund established under the Uniform Disposition of  
18 Unclaimed Property Act.

19 (d) This Section does not apply to the Renewable Fuels  
20 Development Program Fund or the Underground Storage Tank Fund.

21 (Source: P.A. 93-32, eff. 6-20-03; 93-659, eff. 2-3-04; 93-674,  
22 eff. 6-10-04; 93-714, eff. 7-12-04; 93-801, eff. 7-22-04;  
23 93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff.  
24 1-15-05; 94-91, eff. 7-1-05; 94-120, eff. 7-6-05; 94-511, eff.  
25 1-1-06; 94-535, eff. 8-10-05; 94-639, eff. 8-22-05; 94-645,  
26 eff. 8-22-05; 94-648, eff. 1-1-06; 94-686, eff. 11-2-05;  
27 94-691, eff. 11-2-05; revised 11-15-05.)

28 Section 15. The Use Tax Act is amended by changing Sections  
29 3-5 and 9 as follows:

30 (35 ILCS 105/3-5) (from Ch. 120, par. 439.3-5)

31 Sec. 3-5. Exemptions. Use of the following tangible  
32 personal property is exempt from the tax imposed by this Act:

33 (1) Personal property purchased from a corporation,  
34 society, association, foundation, institution, or

1 organization, other than a limited liability company, that is  
2 organized and operated as a not-for-profit service enterprise  
3 for the benefit of persons 65 years of age or older if the  
4 personal property was not purchased by the enterprise for the  
5 purpose of resale by the enterprise.

6 (2) Personal property purchased by a not-for-profit  
7 Illinois county fair association for use in conducting,  
8 operating, or promoting the county fair.

9 (3) Personal property purchased by a not-for-profit arts or  
10 cultural organization that establishes, by proof required by  
11 the Department by rule, that it has received an exemption under  
12 Section 501(c)(3) of the Internal Revenue Code and that is  
13 organized and operated primarily for the presentation or  
14 support of arts or cultural programming, activities, or  
15 services. These organizations include, but are not limited to,  
16 music and dramatic arts organizations such as symphony  
17 orchestras and theatrical groups, arts and cultural service  
18 organizations, local arts councils, visual arts organizations,  
19 and media arts organizations. On and after the effective date  
20 of this amendatory Act of the 92nd General Assembly, however,  
21 an entity otherwise eligible for this exemption shall not make  
22 tax-free purchases unless it has an active identification  
23 number issued by the Department.

24 (4) Personal property purchased by a governmental body, by  
25 a corporation, society, association, foundation, or  
26 institution organized and operated exclusively for charitable,  
27 religious, or educational purposes, or by a not-for-profit  
28 corporation, society, association, foundation, institution, or  
29 organization that has no compensated officers or employees and  
30 that is organized and operated primarily for the recreation of  
31 persons 55 years of age or older. A limited liability company  
32 may qualify for the exemption under this paragraph only if the  
33 limited liability company is organized and operated  
34 exclusively for educational purposes. On and after July 1,  
35 1987, however, no entity otherwise eligible for this exemption  
36 shall make tax-free purchases unless it has an active exemption

1 identification number issued by the Department.

2 (5) Until July 1, 2003, a passenger car that is a  
3 replacement vehicle to the extent that the purchase price of  
4 the car is subject to the Replacement Vehicle Tax.

5 (6) Until July 1, 2003 and beginning again on September 1,  
6 2004, graphic arts machinery and equipment, including repair  
7 and replacement parts, both new and used, and including that  
8 manufactured on special order, certified by the purchaser to be  
9 used primarily for graphic arts production, and including  
10 machinery and equipment purchased for lease. Equipment  
11 includes chemicals or chemicals acting as catalysts but only if  
12 the chemicals or chemicals acting as catalysts effect a direct  
13 and immediate change upon a graphic arts product.

14 (7) Farm chemicals.

15 (8) Legal tender, currency, medallions, or gold or silver  
16 coinage issued by the State of Illinois, the government of the  
17 United States of America, or the government of any foreign  
18 country, and bullion.

19 (9) Personal property purchased from a teacher-sponsored  
20 student organization affiliated with an elementary or  
21 secondary school located in Illinois.

22 (10) A motor vehicle of the first division, a motor vehicle  
23 of the second division that is a self-contained motor vehicle  
24 designed or permanently converted to provide living quarters  
25 for recreational, camping, or travel use, with direct walk  
26 through to the living quarters from the driver's seat, or a  
27 motor vehicle of the second division that is of the van  
28 configuration designed for the transportation of not less than  
29 7 nor more than 16 passengers, as defined in Section 1-146 of  
30 the Illinois Vehicle Code, that is used for automobile renting,  
31 as defined in the Automobile Renting Occupation and Use Tax  
32 Act.

33 (11) Farm machinery and equipment, both new and used,  
34 including that manufactured on special order, certified by the  
35 purchaser to be used primarily for production agriculture or  
36 State or federal agricultural programs, including individual

1 replacement parts for the machinery and equipment, including  
2 machinery and equipment purchased for lease, and including  
3 implements of husbandry defined in Section 1-130 of the  
4 Illinois Vehicle Code, farm machinery and agricultural  
5 chemical and fertilizer spreaders, and nurse wagons required to  
6 be registered under Section 3-809 of the Illinois Vehicle Code,  
7 but excluding other motor vehicles required to be registered  
8 under the Illinois Vehicle Code. Horticultural polyhouses or  
9 hoop houses used for propagating, growing, or overwintering  
10 plants shall be considered farm machinery and equipment under  
11 this item (11). Agricultural chemical tender tanks and dry  
12 boxes shall include units sold separately from a motor vehicle  
13 required to be licensed and units sold mounted on a motor  
14 vehicle required to be licensed if the selling price of the  
15 tender is separately stated.

16 Farm machinery and equipment shall include precision  
17 farming equipment that is installed or purchased to be  
18 installed on farm machinery and equipment including, but not  
19 limited to, tractors, harvesters, sprayers, planters, seeders,  
20 or spreaders. Precision farming equipment includes, but is not  
21 limited to, soil testing sensors, computers, monitors,  
22 software, global positioning and mapping systems, and other  
23 such equipment.

24 Farm machinery and equipment also includes computers,  
25 sensors, software, and related equipment used primarily in the  
26 computer-assisted operation of production agriculture  
27 facilities, equipment, and activities such as, but not limited  
28 to, the collection, monitoring, and correlation of animal and  
29 crop data for the purpose of formulating animal diets and  
30 agricultural chemicals. This item (11) is exempt from the  
31 provisions of Section 3-90.

32 (12) Fuel and petroleum products sold to or used by an air  
33 common carrier, certified by the carrier to be used for  
34 consumption, shipment, or storage in the conduct of its  
35 business as an air common carrier, for a flight destined for or  
36 returning from a location or locations outside the United



1 States without regard to previous or subsequent domestic  
2 stopovers.

3 (13) Proceeds of mandatory service charges separately  
4 stated on customers' bills for the purchase and consumption of  
5 food and beverages purchased at retail from a retailer, to the  
6 extent that the proceeds of the service charge are in fact  
7 turned over as tips or as a substitute for tips to the  
8 employees who participate directly in preparing, serving,  
9 hosting or cleaning up the food or beverage function with  
10 respect to which the service charge is imposed.

11 (14) Until July 1, 2003, oil field exploration, drilling,  
12 and production equipment, including (i) rigs and parts of rigs,  
13 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
14 tubular goods, including casing and drill strings, (iii) pumps  
15 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
16 individual replacement part for oil field exploration,  
17 drilling, and production equipment, and (vi) machinery and  
18 equipment purchased for lease; but excluding motor vehicles  
19 required to be registered under the Illinois Vehicle Code.

20 (15) Photoprocessing machinery and equipment, including  
21 repair and replacement parts, both new and used, including that  
22 manufactured on special order, certified by the purchaser to be  
23 used primarily for photoprocessing, and including  
24 photoprocessing machinery and equipment purchased for lease.

25 (16) Until July 1, 2003, coal exploration, mining,  
26 offhighway hauling, processing, maintenance, and reclamation  
27 equipment, including replacement parts and equipment, and  
28 including equipment purchased for lease, but excluding motor  
29 vehicles required to be registered under the Illinois Vehicle  
30 Code.

31 (17) Until July 1, 2003, distillation machinery and  
32 equipment, sold as a unit or kit, assembled or installed by the  
33 retailer, certified by the user to be used only for the  
34 production of ethyl alcohol that will be used for consumption  
35 as motor fuel or as a component of motor fuel for the personal  
36 use of the user, and not subject to sale or resale.

1           (18) Manufacturing and assembling machinery and equipment  
2 used primarily in the process of manufacturing or assembling  
3 tangible personal property for wholesale or retail sale or  
4 lease, whether that sale or lease is made directly by the  
5 manufacturer or by some other person, whether the materials  
6 used in the process are owned by the manufacturer or some other  
7 person, or whether that sale or lease is made apart from or as  
8 an incident to the seller's engaging in the service occupation  
9 of producing machines, tools, dies, jigs, patterns, gauges, or  
10 other similar items of no commercial value on special order for  
11 a particular purchaser.

12           (19) Personal property delivered to a purchaser or  
13 purchaser's donee inside Illinois when the purchase order for  
14 that personal property was received by a florist located  
15 outside Illinois who has a florist located inside Illinois  
16 deliver the personal property.

17           (20) Semen used for artificial insemination of livestock  
18 for direct agricultural production.

19           (21) Horses, or interests in horses, registered with and  
20 meeting the requirements of any of the Arabian Horse Club  
21 Registry of America, Appaloosa Horse Club, American Quarter  
22 Horse Association, United States Trotting Association, or  
23 Jockey Club, as appropriate, used for purposes of breeding or  
24 racing for prizes.

25           (22) Computers and communications equipment utilized for  
26 any hospital purpose and equipment used in the diagnosis,  
27 analysis, or treatment of hospital patients purchased by a  
28 lessor who leases the equipment, under a lease of one year or  
29 longer executed or in effect at the time the lessor would  
30 otherwise be subject to the tax imposed by this Act, to a  
31 hospital that has been issued an active tax exemption  
32 identification number by the Department under Section 1g of the  
33 Retailers' Occupation Tax Act. If the equipment is leased in a  
34 manner that does not qualify for this exemption or is used in  
35 any other non-exempt manner, the lessor shall be liable for the  
36 tax imposed under this Act or the Service Use Tax Act, as the

1 case may be, based on the fair market value of the property at  
2 the time the non-qualifying use occurs. No lessor shall collect  
3 or attempt to collect an amount (however designated) that  
4 purports to reimburse that lessor for the tax imposed by this  
5 Act or the Service Use Tax Act, as the case may be, if the tax  
6 has not been paid by the lessor. If a lessor improperly  
7 collects any such amount from the lessee, the lessee shall have  
8 a legal right to claim a refund of that amount from the lessor.  
9 If, however, that amount is not refunded to the lessee for any  
10 reason, the lessor is liable to pay that amount to the  
11 Department.

12 (23) Personal property purchased by a lessor who leases the  
13 property, under a lease of one year or longer executed or in  
14 effect at the time the lessor would otherwise be subject to the  
15 tax imposed by this Act, to a governmental body that has been  
16 issued an active sales tax exemption identification number by  
17 the Department under Section 1g of the Retailers' Occupation  
18 Tax Act. If the property is leased in a manner that does not  
19 qualify for this exemption or used in any other non-exempt  
20 manner, the lessor shall be liable for the tax imposed under  
21 this Act or the Service Use Tax Act, as the case may be, based  
22 on the fair market value of the property at the time the  
23 non-qualifying use occurs. No lessor shall collect or attempt  
24 to collect an amount (however designated) that purports to  
25 reimburse that lessor for the tax imposed by this Act or the  
26 Service Use Tax Act, as the case may be, if the tax has not been  
27 paid by the lessor. If a lessor improperly collects any such  
28 amount from the lessee, the lessee shall have a legal right to  
29 claim a refund of that amount from the lessor. If, however,  
30 that amount is not refunded to the lessee for any reason, the  
31 lessor is liable to pay that amount to the Department.

32 (24) Beginning with taxable years ending on or after  
33 December 31, 1995 and ending with taxable years ending on or  
34 before December 31, 2004, personal property that is donated for  
35 disaster relief to be used in a State or federally declared  
36 disaster area in Illinois or bordering Illinois by a

1 manufacturer or retailer that is registered in this State to a  
2 corporation, society, association, foundation, or institution  
3 that has been issued a sales tax exemption identification  
4 number by the Department that assists victims of the disaster  
5 who reside within the declared disaster area.

6 (25) Beginning with taxable years ending on or after  
7 December 31, 1995 and ending with taxable years ending on or  
8 before December 31, 2004, personal property that is used in the  
9 performance of infrastructure repairs in this State, including  
10 but not limited to municipal roads and streets, access roads,  
11 bridges, sidewalks, waste disposal systems, water and sewer  
12 line extensions, water distribution and purification  
13 facilities, storm water drainage and retention facilities, and  
14 sewage treatment facilities, resulting from a State or  
15 federally declared disaster in Illinois or bordering Illinois  
16 when such repairs are initiated on facilities located in the  
17 declared disaster area within 6 months after the disaster.

18 (26) Beginning July 1, 1999, game or game birds purchased  
19 at a "game breeding and hunting preserve area" or an "exotic  
20 game hunting area" as those terms are used in the Wildlife Code  
21 or at a hunting enclosure approved through rules adopted by the  
22 Department of Natural Resources. This paragraph is exempt from  
23 the provisions of Section 3-90.

24 (27) A motor vehicle, as that term is defined in Section  
25 1-146 of the Illinois Vehicle Code, that is donated to a  
26 corporation, limited liability company, society, association,  
27 foundation, or institution that is determined by the Department  
28 to be organized and operated exclusively for educational  
29 purposes. For purposes of this exemption, "a corporation,  
30 limited liability company, society, association, foundation,  
31 or institution organized and operated exclusively for  
32 educational purposes" means all tax-supported public schools,  
33 private schools that offer systematic instruction in useful  
34 branches of learning by methods common to public schools and  
35 that compare favorably in their scope and intensity with the  
36 course of study presented in tax-supported schools, and

1 vocational or technical schools or institutes organized and  
2 operated exclusively to provide a course of study of not less  
3 than 6 weeks duration and designed to prepare individuals to  
4 follow a trade or to pursue a manual, technical, mechanical,  
5 industrial, business, or commercial occupation.

6 (28) Beginning January 1, 2000, personal property,  
7 including food, purchased through fundraising events for the  
8 benefit of a public or private elementary or secondary school,  
9 a group of those schools, or one or more school districts if  
10 the events are sponsored by an entity recognized by the school  
11 district that consists primarily of volunteers and includes  
12 parents and teachers of the school children. This paragraph  
13 does not apply to fundraising events (i) for the benefit of  
14 private home instruction or (ii) for which the fundraising  
15 entity purchases the personal property sold at the events from  
16 another individual or entity that sold the property for the  
17 purpose of resale by the fundraising entity and that profits  
18 from the sale to the fundraising entity. This paragraph is  
19 exempt from the provisions of Section 3-90.

20 (29) Beginning January 1, 2000 and through December 31,  
21 2001, new or used automatic vending machines that prepare and  
22 serve hot food and beverages, including coffee, soup, and other  
23 items, and replacement parts for these machines. Beginning  
24 January 1, 2002 and through June 30, 2003, machines and parts  
25 for machines used in commercial, coin-operated amusement and  
26 vending business if a use or occupation tax is paid on the  
27 gross receipts derived from the use of the commercial,  
28 coin-operated amusement and vending machines. This paragraph  
29 is exempt from the provisions of Section 3-90.

30 (30) Food for human consumption that is to be consumed off  
31 the premises where it is sold (other than alcoholic beverages,  
32 soft drinks, and food that has been prepared for immediate  
33 consumption) and prescription and nonprescription medicines,  
34 drugs, medical appliances, and insulin, urine testing  
35 materials, syringes, and needles used by diabetics, for human  
36 use, when purchased for use by a person receiving medical

1 assistance under Article 5 of the Illinois Public Aid Code who  
2 resides in a licensed long-term care facility, as defined in  
3 the Nursing Home Care Act.

4 (31) Beginning on the effective date of this amendatory Act  
5 of the 92nd General Assembly, computers and communications  
6 equipment utilized for any hospital purpose and equipment used  
7 in the diagnosis, analysis, or treatment of hospital patients  
8 purchased by a lessor who leases the equipment, under a lease  
9 of one year or longer executed or in effect at the time the  
10 lessor would otherwise be subject to the tax imposed by this  
11 Act, to a hospital that has been issued an active tax exemption  
12 identification number by the Department under Section 1g of the  
13 Retailers' Occupation Tax Act. If the equipment is leased in a  
14 manner that does not qualify for this exemption or is used in  
15 any other nonexempt manner, the lessor shall be liable for the  
16 tax imposed under this Act or the Service Use Tax Act, as the  
17 case may be, based on the fair market value of the property at  
18 the time the nonqualifying use occurs. No lessor shall collect  
19 or attempt to collect an amount (however designated) that  
20 purports to reimburse that lessor for the tax imposed by this  
21 Act or the Service Use Tax Act, as the case may be, if the tax  
22 has not been paid by the lessor. If a lessor improperly  
23 collects any such amount from the lessee, the lessee shall have  
24 a legal right to claim a refund of that amount from the lessor.  
25 If, however, that amount is not refunded to the lessee for any  
26 reason, the lessor is liable to pay that amount to the  
27 Department. This paragraph is exempt from the provisions of  
28 Section 3-90.

29 (32) Beginning on the effective date of this amendatory Act  
30 of the 92nd General Assembly, personal property purchased by a  
31 lessor who leases the property, under a lease of one year or  
32 longer executed or in effect at the time the lessor would  
33 otherwise be subject to the tax imposed by this Act, to a  
34 governmental body that has been issued an active sales tax  
35 exemption identification number by the Department under  
36 Section 1g of the Retailers' Occupation Tax Act. If the

1 property is leased in a manner that does not qualify for this  
2 exemption or used in any other nonexempt manner, the lessor  
3 shall be liable for the tax imposed under this Act or the  
4 Service Use Tax Act, as the case may be, based on the fair  
5 market value of the property at the time the nonqualifying use  
6 occurs. No lessor shall collect or attempt to collect an amount  
7 (however designated) that purports to reimburse that lessor for  
8 the tax imposed by this Act or the Service Use Tax Act, as the  
9 case may be, if the tax has not been paid by the lessor. If a  
10 lessor improperly collects any such amount from the lessee, the  
11 lessee shall have a legal right to claim a refund of that  
12 amount from the lessor. If, however, that amount is not  
13 refunded to the lessee for any reason, the lessor is liable to  
14 pay that amount to the Department. This paragraph is exempt  
15 from the provisions of Section 3-90.

16 (33) On and after July 1, 2003 and through June 30, 2004,  
17 the use in this State of motor vehicles of the second division  
18 with a gross vehicle weight in excess of 8,000 pounds and that  
19 are subject to the commercial distribution fee imposed under  
20 Section 3-815.1 of the Illinois Vehicle Code. Beginning on July  
21 1, 2004 and through June 30, 2005, the use in this State of  
22 motor vehicles of the second division: (i) with a gross vehicle  
23 weight rating in excess of 8,000 pounds; (ii) that are subject  
24 to the commercial distribution fee imposed under Section  
25 3-815.1 of the Illinois Vehicle Code; and (iii) that are  
26 primarily used for commercial purposes. Through June 30, 2005,  
27 this exemption applies to repair and replacement parts added  
28 after the initial purchase of such a motor vehicle if that  
29 motor vehicle is used in a manner that would qualify for the  
30 rolling stock exemption otherwise provided for in this Act. For  
31 purposes of this paragraph, the term "used for commercial  
32 purposes" means the transportation of persons or property in  
33 furtherance of any commercial or industrial enterprise,  
34 whether for-hire or not.

35 (34) On and after July 1, 2006 and through June 30, 2011,  
36 distillation machinery and equipment, sold as a unit or kit,

1 assembled or installed by the retailer, certified by the user  
2 to be used only for the production of renewable fuel that will  
3 be used for consumption as motor fuel or as a component of  
4 motor fuel. For the purpose of this item (34), "renewable fuel"  
5 has the meaning set forth in the Illinois Renewable Fuels  
6 Development Program Act.

7 (Source: P.A. 92-35, eff. 7-1-01; 92-227, eff. 8-2-01; 92-337,  
8 eff. 8-10-01; 92-484, eff. 8-23-01; 92-651, eff. 7-11-02;  
9 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; 93-840, eff. 7-30-04;  
10 93-1033, eff. 9-3-04; revised 10-21-04.)

11 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

12 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
13 and trailers that are required to be registered with an agency  
14 of this State, each retailer required or authorized to collect  
15 the tax imposed by this Act shall pay to the Department the  
16 amount of such tax (except as otherwise provided) at the time  
17 when he is required to file his return for the period during  
18 which such tax was collected, less a discount of 2.1% prior to  
19 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
20 per calendar year, whichever is greater, which is allowed to  
21 reimburse the retailer for expenses incurred in collecting the  
22 tax, keeping records, preparing and filing returns, remitting  
23 the tax and supplying data to the Department on request. In the  
24 case of retailers who report and pay the tax on a transaction  
25 by transaction basis, as provided in this Section, such  
26 discount shall be taken with each such tax remittance instead  
27 of when such retailer files his periodic return. A retailer  
28 need not remit that part of any tax collected by him to the  
29 extent that he is required to remit and does remit the tax  
30 imposed by the Retailers' Occupation Tax Act, with respect to  
31 the sale of the same property.

32 Where such tangible personal property is sold under a  
33 conditional sales contract, or under any other form of sale  
34 wherein the payment of the principal sum, or a part thereof, is  
35 extended beyond the close of the period for which the return is



1 filed, the retailer, in collecting the tax (except as to motor  
2 vehicles, watercraft, aircraft, and trailers that are required  
3 to be registered with an agency of this State), may collect for  
4 each tax return period, only the tax applicable to that part of  
5 the selling price actually received during such tax return  
6 period.

7 Except as provided in this Section, on or before the  
8 twentieth day of each calendar month, such retailer shall file  
9 a return for the preceding calendar month. Such return shall be  
10 filed on forms prescribed by the Department and shall furnish  
11 such information as the Department may reasonably require.

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

- 19 1. The name of the seller;
- 20 2. The address of the principal place of business from  
21 which he engages in the business of selling tangible  
22 personal property at retail in this State;
- 23 3. The total amount of taxable receipts received by him  
24 during the preceding calendar month from sales of tangible  
25 personal property by him during such preceding calendar  
26 month, including receipts from charge and time sales, but  
27 less all deductions allowed by law;
- 28 4. The amount of credit provided in Section 2d of this  
29 Act;
- 30 5. The amount of tax due;
- 31 5-5. The signature of the taxpayer; and
- 32 6. Such other reasonable information as the Department  
33 may require.

34 If a taxpayer fails to sign a return within 30 days after  
35 the proper notice and demand for signature by the Department,  
36 the return shall be considered valid and any amount shown to be

1 due on the return shall be deemed assessed.

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

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

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

35 All taxpayers required to make payment by electronic funds  
36 transfer and any taxpayers authorized to voluntarily make

1 payments by electronic funds transfer shall make those payments  
2 in the manner authorized by the Department.

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

6 Before October 1, 2000, if the taxpayer's average monthly  
7 tax liability to the Department under this Act, the Retailers'  
8 Occupation Tax Act, the Service Occupation Tax Act, the Service  
9 Use Tax Act was \$10,000 or more during the preceding 4 complete  
10 calendar quarters, he shall file a return with the Department  
11 each month by the 20th day of the month next following the  
12 month during which such tax liability is incurred and shall  
13 make payments to the Department on or before the 7th, 15th,  
14 22nd and last day of the month during which such liability is  
15 incurred. On and after October 1, 2000, if the taxpayer's  
16 average monthly tax liability to the Department under this Act,  
17 the Retailers' Occupation Tax Act, the Service Occupation Tax  
18 Act, and the Service Use Tax Act was \$20,000 or more during the  
19 preceding 4 complete calendar quarters, he shall file a return  
20 with the Department each month by the 20th day of the month  
21 next following the month during which such tax liability is  
22 incurred and shall make payment to the Department on or before  
23 the 7th, 15th, 22nd and last day of the month during which such  
24 liability is incurred. If the month during which such tax  
25 liability is incurred began prior to January 1, 1985, each  
26 payment shall be in an amount equal to 1/4 of the taxpayer's  
27 actual liability for the month or an amount set by the  
28 Department not to exceed 1/4 of the average monthly liability  
29 of the taxpayer to the Department for the preceding 4 complete  
30 calendar quarters (excluding the month of highest liability and  
31 the month of lowest liability in such 4 quarter period). If the  
32 month during which such tax liability is incurred begins on or  
33 after January 1, 1985, and prior to January 1, 1987, each  
34 payment shall be in an amount equal to 22.5% of the taxpayer's  
35 actual liability for the month or 27.5% of the taxpayer's  
36 liability for the same calendar month of the preceding year. If

1 the month during which such tax liability is incurred begins on  
2 or after January 1, 1987, and prior to January 1, 1988, each  
3 payment shall be in an amount equal to 22.5% of the taxpayer's  
4 actual liability for the month or 26.25% of the taxpayer's  
5 liability for the same calendar month of the preceding year. If  
6 the month during which such tax liability is incurred begins on  
7 or after January 1, 1988, and prior to January 1, 1989, or  
8 begins on or after January 1, 1996, each payment shall be in an  
9 amount equal to 22.5% of the taxpayer's actual liability for  
10 the month or 25% of the taxpayer's liability for the same  
11 calendar month of the preceding year. If the month during which  
12 such tax liability is incurred begins on or after January 1,  
13 1989, and prior to January 1, 1996, each payment shall be in an  
14 amount equal to 22.5% of the taxpayer's actual liability for  
15 the month or 25% of the taxpayer's liability for the same  
16 calendar month of the preceding year or 100% of the taxpayer's  
17 actual liability for the quarter monthly reporting period. The  
18 amount of such quarter monthly payments shall be credited  
19 against the final tax liability of the taxpayer's return for  
20 that month. Before October 1, 2000, once applicable, the  
21 requirement of the making of quarter monthly payments to the  
22 Department shall continue until such taxpayer's average  
23 monthly liability to the Department during the preceding 4  
24 complete calendar quarters (excluding the month of highest  
25 liability and the month of lowest liability) is less than  
26 \$9,000, or until such taxpayer's average monthly liability to  
27 the Department as computed for each calendar quarter of the 4  
28 preceding complete calendar quarter period is less than  
29 \$10,000. However, if a taxpayer can show the Department that a  
30 substantial change in the taxpayer's business has occurred  
31 which causes the taxpayer to anticipate that his average  
32 monthly tax liability for the reasonably foreseeable future  
33 will fall below the \$10,000 threshold stated above, then such  
34 taxpayer may petition the Department for change in such  
35 taxpayer's reporting status. On and after October 1, 2000, once  
36 applicable, the requirement of the making of quarter monthly

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

28 If any such payment provided for in this Section exceeds  
29 the taxpayer's liabilities under this Act, the Retailers'  
30 Occupation Tax Act, the Service Occupation Tax Act and the  
31 Service Use Tax Act, as shown by an original monthly return,  
32 the Department shall issue to the taxpayer a credit memorandum  
33 no later than 30 days after the date of payment, which  
34 memorandum may be submitted by the taxpayer to the Department  
35 in payment of tax liability subsequently to be remitted by the  
36 taxpayer to the Department or be assigned by the taxpayer to a

1 similar taxpayer under this Act, the Retailers' Occupation Tax  
2 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
3 in accordance with reasonable rules and regulations to be  
4 prescribed by the Department, except that if such excess  
5 payment is shown on an original monthly return and is made  
6 after December 31, 1986, no credit memorandum shall be issued,  
7 unless requested by the taxpayer. If no such request is made,  
8 the taxpayer may credit such excess payment against tax  
9 liability subsequently to be remitted by the taxpayer to the  
10 Department under this Act, the Retailers' Occupation Tax Act,  
11 the Service Occupation Tax Act or the Service Use Tax Act, in  
12 accordance with reasonable rules and regulations prescribed by  
13 the Department. If the Department subsequently determines that  
14 all or any part of the credit taken was not actually due to the  
15 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall  
16 be reduced by 2.1% or 1.75% of the difference between the  
17 credit taken and that actually due, and the taxpayer shall be  
18 liable for penalties and interest on such difference.

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

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

36 Such quarter annual and annual returns, as to form and

1 substance, shall be subject to the same requirements as monthly  
2 returns.

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

10 In addition, with respect to motor vehicles, watercraft,  
11 aircraft, and trailers that are required to be registered with  
12 an agency of this State, every retailer selling this kind of  
13 tangible personal property shall file, with the Department,  
14 upon a form to be prescribed and supplied by the Department, a  
15 separate return for each such item of tangible personal  
16 property which the retailer sells, except that if, in the same  
17 transaction, (i) a retailer of aircraft, watercraft, motor  
18 vehicles or trailers transfers more than one aircraft,  
19 watercraft, motor vehicle or trailer to another aircraft,  
20 watercraft, motor vehicle or trailer retailer for the purpose  
21 of resale or (ii) a retailer of aircraft, watercraft, motor  
22 vehicles, or trailers transfers more than one aircraft,  
23 watercraft, motor vehicle, or trailer to a purchaser for use as  
24 a qualifying rolling stock as provided in Section 3-55 of this  
25 Act, then that seller may report the transfer of all the  
26 aircraft, watercraft, motor vehicles or trailers involved in  
27 that transaction to the Department on the same uniform  
28 invoice-transaction reporting return form. For purposes of  
29 this Section, "watercraft" means a Class 2, Class 3, or Class 4  
30 watercraft as defined in Section 3-2 of the Boat Registration  
31 and Safety Act, a personal watercraft, or any boat equipped  
32 with an inboard motor.

33 The transaction reporting return in the case of motor  
34 vehicles or trailers that are required to be registered with an  
35 agency of this State, shall be the same document as the Uniform  
36 Invoice referred to in Section 5-402 of the Illinois Vehicle

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

18 The transaction reporting return in the case of watercraft  
19 and aircraft must show the name and address of the seller; the  
20 name and address of the purchaser; the amount of the selling  
21 price including the amount allowed by the retailer for  
22 traded-in property, if any; the amount allowed by the retailer  
23 for the traded-in tangible personal property, if any, to the  
24 extent to which Section 2 of this Act allows an exemption for  
25 the value of traded-in property; the balance payable after  
26 deducting such trade-in allowance from the total selling price;  
27 the amount of tax due from the retailer with respect to such  
28 transaction; the amount of tax collected from the purchaser by  
29 the retailer on such transaction (or satisfactory evidence that  
30 such tax is not due in that particular instance, if that is  
31 claimed to be the fact); the place and date of the sale, a  
32 sufficient identification of the property sold, and such other  
33 information as the Department may reasonably require.

34 Such transaction reporting return shall be filed not later  
35 than 20 days after the date of delivery of the item that is  
36 being sold, but may be filed by the retailer at any time sooner



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

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

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

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

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

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

29 Any retailer filing a return under this Section shall also  
30 include (for the purpose of paying tax thereon) the total tax  
31 covered by such return upon the selling price of tangible  
32 personal property purchased by him at retail from a retailer,  
33 but as to which the tax imposed by this Act was not collected  
34 from the retailer filing such return, and such retailer shall  
35 remit the amount of such tax to the Department when filing such  
36 return.

1           If experience indicates such action to be practicable, the  
2 Department may prescribe and furnish a combination or joint  
3 return which will enable retailers, who are required to file  
4 returns hereunder and also under the Retailers' Occupation Tax  
5 Act, to furnish all the return information required by both  
6 Acts on the one form.

7           Where the retailer has more than one business registered  
8 with the Department under separate registration under this Act,  
9 such retailer may not file each return that is due as a single  
10 return covering all such registered businesses, but shall file  
11 separate returns for each such registered business.

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

22           Beginning January 1, 1990, each month the Department shall  
23 pay into the County and Mass Transit District Fund 4% of the  
24 net revenue realized for the preceding month from the 6.25%  
25 general rate on the selling price of tangible personal property  
26 which is purchased outside Illinois at retail from a retailer  
27 and which is titled or registered by an agency of this State's  
28 government.

29           Beginning January 1, 1990, each month the Department shall  
30 pay into the State and Local Sales Tax Reform Fund, a special  
31 fund in the State Treasury, 20% of the net revenue realized for  
32 the preceding month from the 6.25% general rate on the selling  
33 price of tangible personal property, other than tangible  
34 personal property which is purchased outside Illinois at retail  
35 from a retailer and which is titled or registered by an agency  
36 of this State's government.

1           Beginning August 1, 2000, each month the Department shall  
2 pay into the State and Local Sales Tax Reform Fund 100% of the  
3 net revenue realized for the preceding month from the 1.25%  
4 rate on the selling price of motor fuel and gasohol.

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

12           Beginning on the effective date of this amendatory Act of  
13 the 94th General Assembly, each month the Department shall pay  
14 into the Renewable Fuels Development Program Fund 5% of the net  
15 revenue realized for the preceding month from the 6.25% rate on  
16 the selling price of motor fuel and gasohol.

17           Beginning on the effective date of this amendatory Act of  
18 the 94th General Assembly, each month the Department shall pay  
19 into the Underground Storage Tank Fund 5% of the net revenue  
20 realized for the preceding month from the 6.25% rate on the  
21 selling price of motor fuel and gasohol.

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

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

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

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

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

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

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

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

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

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

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

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

35 As soon as possible after the first day of each month, upon  
36 certification of the Department of Revenue, the Comptroller



1 shall order transferred and the Treasurer shall transfer from  
2 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
3 equal to 1.7% of 80% of the net revenue realized under this Act  
4 for the second preceding month. Beginning April 1, 2000, this  
5 transfer is no longer required and shall not be made.

6 Net revenue realized for a month shall be the revenue  
7 collected by the State pursuant to this Act, less the amount  
8 paid out during that month as refunds to taxpayers for  
9 overpayment of liability.

10 For greater simplicity of administration, manufacturers,  
11 importers and wholesalers whose products are sold at retail in  
12 Illinois by numerous retailers, and who wish to do so, may  
13 assume the responsibility for accounting and paying to the  
14 Department all tax accruing under this Act with respect to such  
15 sales, if the retailers who are affected do not make written  
16 objection to the Department to this arrangement.

17 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101,  
18 eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00;  
19 91-901, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff. 6-28-01;  
20 92-208, eff. 8-2-01; 92-492, eff. 1-1-02; 92-600, eff. 6-28-02;  
21 92-651, eff. 7-11-02; revised 10-15-03.)

22 Section 20. The Service Use Tax Act is amended by changing  
23 Sections 3-5 and 9 as follows:

24 (35 ILCS 110/3-5) (from Ch. 120, par. 439.33-5)

25 Sec. 3-5. Exemptions. Use of the following tangible  
26 personal property is exempt from the tax imposed by this Act:

27 (1) Personal property purchased from a corporation,  
28 society, association, foundation, institution, or  
29 organization, other than a limited liability company, that is  
30 organized and operated as a not-for-profit service enterprise  
31 for the benefit of persons 65 years of age or older if the  
32 personal property was not purchased by the enterprise for the  
33 purpose of resale by the enterprise.

34 (2) Personal property purchased by a non-profit Illinois

1 county fair association for use in conducting, operating, or  
2 promoting the county fair.

3 (3) Personal property purchased by a not-for-profit arts or  
4 cultural organization that establishes, by proof required by  
5 the Department by rule, that it has received an exemption under  
6 Section 501(c)(3) of the Internal Revenue Code and that is  
7 organized and operated primarily for the presentation or  
8 support of arts or cultural programming, activities, or  
9 services. These organizations include, but are not limited to,  
10 music and dramatic arts organizations such as symphony  
11 orchestras and theatrical groups, arts and cultural service  
12 organizations, local arts councils, visual arts organizations,  
13 and media arts organizations. On and after the effective date  
14 of this amendatory Act of the 92nd General Assembly, however,  
15 an entity otherwise eligible for this exemption shall not make  
16 tax-free purchases unless it has an active identification  
17 number issued by the Department.

18 (4) Legal tender, currency, medallions, or gold or silver  
19 coinage issued by the State of Illinois, the government of the  
20 United States of America, or the government of any foreign  
21 country, and bullion.

22 (5) Until July 1, 2003 and beginning again on September 1,  
23 2004, graphic arts machinery and equipment, including repair  
24 and replacement parts, both new and used, and including that  
25 manufactured on special order or purchased for lease, certified  
26 by the purchaser to be used primarily for graphic arts  
27 production. Equipment includes chemicals or chemicals acting  
28 as catalysts but only if the chemicals or chemicals acting as  
29 catalysts effect a direct and immediate change upon a graphic  
30 arts product.

31 (6) Personal property purchased from a teacher-sponsored  
32 student organization affiliated with an elementary or  
33 secondary school located in Illinois.

34 (7) Farm machinery and equipment, both new and used,  
35 including that manufactured on special order, certified by the  
36 purchaser to be used primarily for production agriculture or

1 State or federal agricultural programs, including individual  
2 replacement parts for the machinery and equipment, including  
3 machinery and equipment purchased for lease, and including  
4 implements of husbandry defined in Section 1-130 of the  
5 Illinois Vehicle Code, farm machinery and agricultural  
6 chemical and fertilizer spreaders, and nurse wagons required to  
7 be registered under Section 3-809 of the Illinois Vehicle Code,  
8 but excluding other motor vehicles required to be registered  
9 under the Illinois Vehicle Code. Horticultural polyhouses or  
10 hoop houses used for propagating, growing, or overwintering  
11 plants shall be considered farm machinery and equipment under  
12 this item (7). Agricultural chemical tender tanks and dry boxes  
13 shall include units sold separately from a motor vehicle  
14 required to be licensed and units sold mounted on a motor  
15 vehicle required to be licensed if the selling price of the  
16 tender is separately stated.

17 Farm machinery and equipment shall include precision  
18 farming equipment that is installed or purchased to be  
19 installed on farm machinery and equipment including, but not  
20 limited to, tractors, harvesters, sprayers, planters, seeders,  
21 or spreaders. Precision farming equipment includes, but is not  
22 limited to, soil testing sensors, computers, monitors,  
23 software, global positioning and mapping systems, and other  
24 such equipment.

25 Farm machinery and equipment also includes computers,  
26 sensors, software, and related equipment used primarily in the  
27 computer-assisted operation of production agriculture  
28 facilities, equipment, and activities such as, but not limited  
29 to, the collection, monitoring, and correlation of animal and  
30 crop data for the purpose of formulating animal diets and  
31 agricultural chemicals. This item (7) is exempt from the  
32 provisions of Section 3-75.

33 (8) Fuel and petroleum products sold to or used by an air  
34 common carrier, certified by the carrier to be used for  
35 consumption, shipment, or storage in the conduct of its  
36 business as an air common carrier, for a flight destined for or

1 returning from a location or locations outside the United  
2 States without regard to previous or subsequent domestic  
3 stopovers.

4 (9) Proceeds of mandatory service charges separately  
5 stated on customers' bills for the purchase and consumption of  
6 food and beverages acquired as an incident to the purchase of a  
7 service from a serviceman, to the extent that the proceeds of  
8 the service charge are in fact turned over as tips or as a  
9 substitute for tips to the employees who participate directly  
10 in preparing, serving, hosting or cleaning up the food or  
11 beverage function with respect to which the service charge is  
12 imposed.

13 (10) Until July 1, 2003, oil field exploration, drilling,  
14 and production equipment, including (i) rigs and parts of rigs,  
15 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
16 tubular goods, including casing and drill strings, (iii) pumps  
17 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
18 individual replacement part for oil field exploration,  
19 drilling, and production equipment, and (vi) machinery and  
20 equipment purchased for lease; but excluding motor vehicles  
21 required to be registered under the Illinois Vehicle Code.

22 (11) Proceeds from the sale of photoprocessing machinery  
23 and equipment, including repair and replacement parts, both new  
24 and used, including that manufactured on special order,  
25 certified by the purchaser to be used primarily for  
26 photoprocessing, and including photoprocessing machinery and  
27 equipment purchased for lease.

28 (12) Until July 1, 2003, coal exploration, mining,  
29 offhighway hauling, processing, maintenance, and reclamation  
30 equipment, including replacement parts and equipment, and  
31 including equipment purchased for lease, but excluding motor  
32 vehicles required to be registered under the Illinois Vehicle  
33 Code.

34 (13) Semen used for artificial insemination of livestock  
35 for direct agricultural production.

36 (14) Horses, or interests in horses, registered with and

1 meeting the requirements of any of the Arabian Horse Club  
2 Registry of America, Appaloosa Horse Club, American Quarter  
3 Horse Association, United States Trotting Association, or  
4 Jockey Club, as appropriate, used for purposes of breeding or  
5 racing for prizes.

6 (15) Computers and communications equipment utilized for  
7 any hospital purpose and equipment used in the diagnosis,  
8 analysis, or treatment of hospital patients purchased by a  
9 lessor who leases the equipment, under a lease of one year or  
10 longer executed or in effect at the time the lessor would  
11 otherwise be subject to the tax imposed by this Act, to a  
12 hospital that has been issued an active tax exemption  
13 identification number by the Department under Section 1g of the  
14 Retailers' Occupation Tax Act. If the equipment is leased in a  
15 manner that does not qualify for this exemption or is used in  
16 any other non-exempt manner, the lessor shall be liable for the  
17 tax imposed under this Act or the Use Tax Act, as the case may  
18 be, based on the fair market value of the property at the time  
19 the non-qualifying use occurs. No lessor shall collect or  
20 attempt to collect an amount (however designated) that purports  
21 to reimburse that lessor for the tax imposed by this Act or the  
22 Use Tax Act, as the case may be, if the tax has not been paid by  
23 the lessor. If a lessor improperly collects any such amount  
24 from the lessee, the lessee shall have a legal right to claim a  
25 refund of that amount from the lessor. If, however, that amount  
26 is not refunded to the lessee for any reason, the lessor is  
27 liable to pay that amount to the Department.

28 (16) Personal property purchased by a lessor who leases the  
29 property, under a lease of one year or longer executed or in  
30 effect at the time the lessor would otherwise be subject to the  
31 tax imposed by this Act, to a governmental body that has been  
32 issued an active tax exemption identification number by the  
33 Department under Section 1g of the Retailers' Occupation Tax  
34 Act. If the property is leased in a manner that does not  
35 qualify for this exemption or is used in any other non-exempt  
36 manner, the lessor shall be liable for the tax imposed under

1 this Act or the Use Tax Act, as the case may be, based on the  
2 fair market value of the property at the time the  
3 non-qualifying use occurs. No lessor shall collect or attempt  
4 to collect an amount (however designated) that purports to  
5 reimburse that lessor for the tax imposed by this Act or the  
6 Use Tax Act, as the case may be, if the tax has not been paid by  
7 the lessor. If a lessor improperly collects any such amount  
8 from the lessee, the lessee shall have a legal right to claim a  
9 refund of that amount from the lessor. If, however, that amount  
10 is not refunded to the lessee for any reason, the lessor is  
11 liable to pay that amount to the Department.

12 (17) Beginning with taxable years ending on or after  
13 December 31, 1995 and ending with taxable years ending on or  
14 before December 31, 2004, personal property that is donated for  
15 disaster relief to be used in a State or federally declared  
16 disaster area in Illinois or bordering Illinois by a  
17 manufacturer or retailer that is registered in this State to a  
18 corporation, society, association, foundation, or institution  
19 that has been issued a sales tax exemption identification  
20 number by the Department that assists victims of the disaster  
21 who reside within the declared disaster area.

22 (18) Beginning with taxable years ending on or after  
23 December 31, 1995 and ending with taxable years ending on or  
24 before December 31, 2004, personal property that is used in the  
25 performance of infrastructure repairs in this State, including  
26 but not limited to municipal roads and streets, access roads,  
27 bridges, sidewalks, waste disposal systems, water and sewer  
28 line extensions, water distribution and purification  
29 facilities, storm water drainage and retention facilities, and  
30 sewage treatment facilities, resulting from a State or  
31 federally declared disaster in Illinois or bordering Illinois  
32 when such repairs are initiated on facilities located in the  
33 declared disaster area within 6 months after the disaster.

34 (19) Beginning July 1, 1999, game or game birds purchased  
35 at a "game breeding and hunting preserve area" or an "exotic  
36 game hunting area" as those terms are used in the Wildlife Code

1 or at a hunting enclosure approved through rules adopted by the  
2 Department of Natural Resources. This paragraph is exempt from  
3 the provisions of Section 3-75.

4 (20) A motor vehicle, as that term is defined in Section  
5 1-146 of the Illinois Vehicle Code, that is donated to a  
6 corporation, limited liability company, society, association,  
7 foundation, or institution that is determined by the Department  
8 to be organized and operated exclusively for educational  
9 purposes. For purposes of this exemption, "a corporation,  
10 limited liability company, society, association, foundation,  
11 or institution organized and operated exclusively for  
12 educational purposes" means all tax-supported public schools,  
13 private schools that offer systematic instruction in useful  
14 branches of learning by methods common to public schools and  
15 that compare favorably in their scope and intensity with the  
16 course of study presented in tax-supported schools, and  
17 vocational or technical schools or institutes organized and  
18 operated exclusively to provide a course of study of not less  
19 than 6 weeks duration and designed to prepare individuals to  
20 follow a trade or to pursue a manual, technical, mechanical,  
21 industrial, business, or commercial occupation.

22 (21) Beginning January 1, 2000, personal property,  
23 including food, purchased through fundraising events for the  
24 benefit of a public or private elementary or secondary school,  
25 a group of those schools, or one or more school districts if  
26 the events are sponsored by an entity recognized by the school  
27 district that consists primarily of volunteers and includes  
28 parents and teachers of the school children. This paragraph  
29 does not apply to fundraising events (i) for the benefit of  
30 private home instruction or (ii) for which the fundraising  
31 entity purchases the personal property sold at the events from  
32 another individual or entity that sold the property for the  
33 purpose of resale by the fundraising entity and that profits  
34 from the sale to the fundraising entity. This paragraph is  
35 exempt from the provisions of Section 3-75.

36 (22) Beginning January 1, 2000 and through December 31,

1 2001, new or used automatic vending machines that prepare and  
2 serve hot food and beverages, including coffee, soup, and other  
3 items, and replacement parts for these machines. Beginning  
4 January 1, 2002 and through June 30, 2003, machines and parts  
5 for machines used in commercial, coin-operated amusement and  
6 vending business if a use or occupation tax is paid on the  
7 gross receipts derived from the use of the commercial,  
8 coin-operated amusement and vending machines. This paragraph  
9 is exempt from the provisions of Section 3-75.

10 (23) Food for human consumption that is to be consumed off  
11 the premises where it is sold (other than alcoholic beverages,  
12 soft drinks, and food that has been prepared for immediate  
13 consumption) and prescription and nonprescription medicines,  
14 drugs, medical appliances, and insulin, urine testing  
15 materials, syringes, and needles used by diabetics, for human  
16 use, when purchased for use by a person receiving medical  
17 assistance under Article 5 of the Illinois Public Aid Code who  
18 resides in a licensed long-term care facility, as defined in  
19 the Nursing Home Care Act.

20 (24) Beginning on the effective date of this amendatory Act  
21 of the 92nd General Assembly, computers and communications  
22 equipment utilized for any hospital purpose and equipment used  
23 in the diagnosis, analysis, or treatment of hospital patients  
24 purchased by a lessor who leases the equipment, under a lease  
25 of one year or longer executed or in effect at the time the  
26 lessor would otherwise be subject to the tax imposed by this  
27 Act, to a hospital that has been issued an active tax exemption  
28 identification number by the Department under Section 1g of the  
29 Retailers' Occupation Tax Act. If the equipment is leased in a  
30 manner that does not qualify for this exemption or is used in  
31 any other nonexempt manner, the lessor shall be liable for the  
32 tax imposed under this Act or the Use Tax Act, as the case may  
33 be, based on the fair market value of the property at the time  
34 the nonqualifying use occurs. No lessor shall collect or  
35 attempt to collect an amount (however designated) that purports  
36 to reimburse that lessor for the tax imposed by this Act or the



1 Use Tax Act, as the case may be, if the tax has not been paid by  
2 the lessor. If a lessor improperly collects any such amount  
3 from the lessee, the lessee shall have a legal right to claim a  
4 refund of that amount from the lessor. If, however, that amount  
5 is not refunded to the lessee for any reason, the lessor is  
6 liable to pay that amount to the Department. This paragraph is  
7 exempt from the provisions of Section 3-75.

8 (25) Beginning on the effective date of this amendatory Act  
9 of the 92nd General Assembly, personal property purchased by a  
10 lessor who leases the property, under a lease of one year or  
11 longer executed or in effect at the time the lessor would  
12 otherwise be subject to the tax imposed by this Act, to a  
13 governmental body that has been issued an active tax exemption  
14 identification number by the Department under Section 1g of the  
15 Retailers' Occupation Tax Act. If the property is leased in a  
16 manner that does not qualify for this exemption or is used in  
17 any other nonexempt manner, the lessor shall be liable for the  
18 tax imposed under this Act or the Use Tax Act, as the case may  
19 be, based on the fair market value of the property at the time  
20 the nonqualifying use occurs. No lessor shall collect or  
21 attempt to collect an amount (however designated) that purports  
22 to reimburse that lessor for the tax imposed by this Act or the  
23 Use Tax Act, as the case may be, if the tax has not been paid by  
24 the lessor. If a lessor improperly collects any such amount  
25 from the lessee, the lessee shall have a legal right to claim a  
26 refund of that amount from the lessor. If, however, that amount  
27 is not refunded to the lessee for any reason, the lessor is  
28 liable to pay that amount to the Department. This paragraph is  
29 exempt from the provisions of Section 3-75.

30 (26) On and after July 1, 2006 and through June 30, 2011,  
31 distillation machinery and equipment, sold as a unit or kit,  
32 assembled or installed by the retailer, certified by the user  
33 to be used only for the production of renewable fuel that will  
34 be used for consumption as motor fuel or as a component of  
35 motor fuel. For the purpose of this item (26), "renewable fuel"  
36 has the meaning set forth in the Illinois Renewable Fuels

1 Development Program Act.

2 (Source: P.A. 92-16, eff. 6-28-01; 92-35, eff. 7-1-01; 92-227,  
3 eff. 8-2-01; 92-337, eff. 8-10-01; 92-484, eff. 8-23-01;  
4 92-651, eff. 7-11-02; 93-24, eff. 6-20-03; 93-840, eff.  
5 7-30-04.)

6 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

7 Sec. 9. Each serviceman required or authorized to collect  
8 the tax herein imposed shall pay to the Department the amount  
9 of such tax (except as otherwise provided) at the time when he  
10 is required to file his return for the period during which such  
11 tax was collected, less a discount of 2.1% prior to January 1,  
12 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
13 year, whichever is greater, which is allowed to reimburse the  
14 serviceman for expenses incurred in collecting the tax, keeping  
15 records, preparing and filing returns, remitting the tax and  
16 supplying data to the Department on request. A serviceman need  
17 not remit that part of any tax collected by him to the extent  
18 that he is required to pay and does pay the tax imposed by the  
19 Service Occupation Tax Act with respect to his sale of service  
20 involving the incidental transfer by him of the same property.

21 Except as provided hereinafter in this Section, on or  
22 before the twentieth day of each calendar month, such  
23 serviceman shall file a return for the preceding calendar month  
24 in accordance with reasonable Rules and Regulations to be  
25 promulgated by the Department. Such return shall be filed on a  
26 form prescribed by the Department and shall contain such  
27 information as the Department may reasonably require.

28 The Department may require returns to be filed on a  
29 quarterly basis. If so required, a return for each calendar  
30 quarter shall be filed on or before the twentieth day of the  
31 calendar month following the end of such calendar quarter. The  
32 taxpayer shall also file a return with the Department for each  
33 of the first two months of each calendar quarter, on or before  
34 the twentieth day of the following calendar month, stating:

35 1. The name of the seller;

- 1           2. The address of the principal place of business from
- 2           which he engages in business as a serviceman in this State;
- 3           3. The total amount of taxable receipts received by him
- 4           during the preceding calendar month, including receipts
- 5           from charge and time sales, but less all deductions allowed
- 6           by law;
- 7           4. The amount of credit provided in Section 2d of this
- 8           Act;
- 9           5. The amount of tax due;
- 10          5-5. The signature of the taxpayer; and
- 11          6. Such other reasonable information as the Department
- 12          may require.

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

17           Beginning October 1, 1993, a taxpayer who has an average  
18           monthly tax liability of \$150,000 or more shall make all  
19           payments required by rules of the Department by electronic  
20           funds transfer. Beginning October 1, 1994, a taxpayer who has  
21           an average monthly tax liability of \$100,000 or more shall make  
22           all payments required by rules of the Department by electronic  
23           funds transfer. Beginning October 1, 1995, a taxpayer who has  
24           an average monthly tax liability of \$50,000 or more shall make  
25           all payments required by rules of the Department by electronic  
26           funds transfer. Beginning October 1, 2000, a taxpayer who has  
27           an annual tax liability of \$200,000 or more shall make all  
28           payments required by rules of the Department by electronic  
29           funds transfer. The term "annual tax liability" shall be the  
30           sum of the taxpayer's liabilities under this Act, and under all  
31           other State and local occupation and use tax laws administered  
32           by the Department, for the immediately preceding calendar year.  
33           The term "average monthly tax liability" means the sum of the  
34           taxpayer's liabilities under this Act, and under all other  
35           State and local occupation and use tax laws administered by the  
36           Department, for the immediately preceding calendar year

1 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
2 a tax liability in the amount set forth in subsection (b) of  
3 Section 2505-210 of the Department of Revenue Law shall make  
4 all payments required by rules of the Department by electronic  
5 funds transfer.

6 Before August 1 of each year beginning in 1993, the  
7 Department shall notify all taxpayers required to make payments  
8 by electronic funds transfer. All taxpayers required to make  
9 payments by electronic funds transfer shall make those payments  
10 for a minimum of one year beginning on October 1.

11 Any taxpayer not required to make payments by electronic  
12 funds transfer may make payments by electronic funds transfer  
13 with the permission of the Department.

14 All taxpayers required to make payment by electronic funds  
15 transfer and any taxpayers authorized to voluntarily make  
16 payments by electronic funds transfer shall make those payments  
17 in the manner authorized by the Department.

18 The Department shall adopt such rules as are necessary to  
19 effectuate a program of electronic funds transfer and the  
20 requirements of this Section.

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

32 If the serviceman is otherwise required to file a monthly  
33 or quarterly return and if the serviceman's average monthly tax  
34 liability to the Department does not exceed \$50, the Department  
35 may authorize his returns to be filed on an annual basis, with  
36 the return for a given year being due by January 20 of the

1 following year.

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

5 Notwithstanding any other provision in this Act concerning  
6 the time within which a serviceman may file his return, in the  
7 case of any serviceman who ceases to engage in a kind of  
8 business which makes him responsible for filing returns under  
9 this Act, such serviceman shall file a final return under this  
10 Act with the Department not more than 1 month after  
11 discontinuing such business.

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

29 Any serviceman filing a return hereunder shall also include  
30 the total tax upon the selling price of tangible personal  
31 property purchased for use by him as an incident to a sale of  
32 service, and such serviceman shall remit the amount of such tax  
33 to the Department when filing such return.

34 If experience indicates such action to be practicable, the  
35 Department may prescribe and furnish a combination or joint  
36 return which will enable servicemen, who are required to file

1 returns hereunder and also under the Service Occupation Tax  
2 Act, to furnish all the return information required by both  
3 Acts on the one form.

4 Where the serviceman has more than one business registered  
5 with the Department under separate registration hereunder,  
6 such serviceman shall not file each return that is due as a  
7 single return covering all such registered businesses, but  
8 shall file separate returns for each such registered business.

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

19 Beginning January 1, 1990, each month the Department shall  
20 pay into the State and Local Sales Tax Reform Fund 20% of the  
21 net revenue realized for the preceding month from the 6.25%  
22 general rate on transfers of tangible personal property, other  
23 than tangible personal property which is purchased outside  
24 Illinois at retail from a retailer and which is titled or  
25 registered by an agency of this State's government.

26 Beginning August 1, 2000, each month the Department shall  
27 pay into the State and Local Sales Tax Reform Fund 100% of the  
28 net revenue realized for the preceding month from the 1.25%  
29 rate on the selling price of motor fuel and gasohol.

30 Beginning on the effective date of this amendatory Act of  
31 the 94th General Assembly, each month the Department shall pay  
32 into the Renewable Fuels Development Program Fund 5% of the net  
33 revenue realized for the preceding month from the 6.25% rate on  
34 the selling price of motor fuel and gasohol.

35 Beginning on the effective date of this amendatory Act of  
36 the 94th General Assembly, each month the Department shall pay

1 into the Underground Storage Tank Fund 5% of the net revenue  
2 realized for the preceding month from the 6.25% rate on the  
3 selling price of motor fuel and gasohol.

4 Of the remainder of the moneys received by the Department  
5 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
6 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
7 and after July 1, 1989, 3.8% thereof shall be paid into the  
8 Build Illinois Fund; provided, however, that if in any fiscal  
9 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
10 may be, of the moneys received by the Department and required  
11 to be paid into the Build Illinois Fund pursuant to Section 3  
12 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
13 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
14 Service Occupation Tax Act, such Acts being hereinafter called  
15 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
16 may be, of moneys being hereinafter called the "Tax Act  
17 Amount", and (2) the amount transferred to the Build Illinois  
18 Fund from the State and Local Sales Tax Reform Fund shall be  
19 less than the Annual Specified Amount (as defined in Section 3  
20 of the Retailers' Occupation Tax Act), an amount equal to the  
21 difference shall be immediately paid into the Build Illinois  
22 Fund from other moneys received by the Department pursuant to  
23 the Tax Acts; and further provided, that if on the last  
24 business day of any month the sum of (1) the Tax Act Amount  
25 required to be deposited into the Build Illinois Bond Account  
26 in the Build Illinois Fund during such month and (2) the amount  
27 transferred during such month to the Build Illinois Fund from  
28 the State and Local Sales Tax Reform Fund shall have been less  
29 than 1/12 of the Annual Specified Amount, an amount equal to  
30 the difference shall be immediately paid into the Build  
31 Illinois Fund from other moneys received by the Department  
32 pursuant to the Tax Acts; and, further provided, that in no  
33 event shall the payments required under the preceding proviso  
34 result in aggregate payments into the Build Illinois Fund  
35 pursuant to this clause (b) for any fiscal year in excess of  
36 the greater of (i) the Tax Act Amount or (ii) the Annual

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

33 Subject to payment of amounts into the Build Illinois Fund  
34 as provided in the preceding paragraph or in any amendment  
35 thereto hereafter enacted, the following specified monthly  
36 installment of the amount requested in the certificate of the



1 Chairman of the Metropolitan Pier and Exposition Authority  
 2 provided under Section 8.25f of the State Finance Act, but not  
 3 in excess of the sums designated as "Total Deposit", shall be  
 4 deposited in the aggregate from collections under Section 9 of  
 5 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
 6 9 of the Service Occupation Tax Act, and Section 3 of the  
 7 Retailers' Occupation Tax Act into the McCormick Place  
 8 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
9		
10	1993	\$0
11	1994	53,000,000
12	1995	58,000,000
13	1996	61,000,000
14	1997	64,000,000
15	1998	68,000,000
16	1999	71,000,000
17	2000	75,000,000
18	2001	80,000,000
19	2002	93,000,000
20	2003	99,000,000
21	2004	103,000,000
22	2005	108,000,000
23	2006	113,000,000
24	2007	119,000,000
25	2008	126,000,000
26	2009	132,000,000
27	2010	139,000,000
28	2011	146,000,000
29	2012	153,000,000
30	2013	161,000,000
31	2014	170,000,000
32	2015	179,000,000
33	2016	189,000,000
34	2017	199,000,000
35	2018	210,000,000

1	2019	221,000,000
2	2020	233,000,000
3	2021	246,000,000
4	2022	260,000,000
5	2023 and	275,000,000

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2042.

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

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

34 Subject to payment of amounts into the Build Illinois Fund  
35 and the McCormick Place Expansion Project Fund pursuant to the  
36 preceding paragraphs or in any amendments thereto hereafter

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

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

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

28 Section 25. The Service Occupation Tax Act is amended by  
29 changing Sections 3-5 and 9 as follows:

30 (35 ILCS 115/3-5) (from Ch. 120, par. 439.103-5)

31 Sec. 3-5. Exemptions. The following tangible personal  
32 property is exempt from the tax imposed by this Act:

33 (1) Personal property sold by a corporation, society,  
34 association, foundation, institution, or organization, other

1 than a limited liability company, that is organized and  
2 operated as a not-for-profit service enterprise for the benefit  
3 of persons 65 years of age or older if the personal property  
4 was not purchased by the enterprise for the purpose of resale  
5 by the enterprise.

6 (2) Personal property purchased by a not-for-profit  
7 Illinois county fair association for use in conducting,  
8 operating, or promoting the county fair.

9 (3) Personal property purchased by any not-for-profit arts  
10 or cultural organization that establishes, by proof required by  
11 the Department by rule, that it has received an exemption under  
12 Section 501(c)(3) of the Internal Revenue Code and that is  
13 organized and operated primarily for the presentation or  
14 support of arts or cultural programming, activities, or  
15 services. These organizations include, but are not limited to,  
16 music and dramatic arts organizations such as symphony  
17 orchestras and theatrical groups, arts and cultural service  
18 organizations, local arts councils, visual arts organizations,  
19 and media arts organizations. On and after the effective date  
20 of this amendatory Act of the 92nd General Assembly, however,  
21 an entity otherwise eligible for this exemption shall not make  
22 tax-free purchases unless it has an active identification  
23 number issued by the Department.

24 (4) Legal tender, currency, medallions, or gold or silver  
25 coinage issued by the State of Illinois, the government of the  
26 United States of America, or the government of any foreign  
27 country, and bullion.

28 (5) Until July 1, 2003 and beginning again on September 1,  
29 2004, graphic arts machinery and equipment, including repair  
30 and replacement parts, both new and used, and including that  
31 manufactured on special order or purchased for lease, certified  
32 by the purchaser to be used primarily for graphic arts  
33 production. Equipment includes chemicals or chemicals acting  
34 as catalysts but only if the chemicals or chemicals acting as  
35 catalysts effect a direct and immediate change upon a graphic  
36 arts product.

1           (6) Personal property sold by a teacher-sponsored student  
2 organization affiliated with an elementary or secondary school  
3 located in Illinois.

4           (7) Farm machinery and equipment, both new and used,  
5 including that manufactured on special order, certified by the  
6 purchaser to be used primarily for production agriculture or  
7 State or federal agricultural programs, including individual  
8 replacement parts for the machinery and equipment, including  
9 machinery and equipment purchased for lease, and including  
10 implements of husbandry defined in Section 1-130 of the  
11 Illinois Vehicle Code, farm machinery and agricultural  
12 chemical and fertilizer spreaders, and nurse wagons required to  
13 be registered under Section 3-809 of the Illinois Vehicle Code,  
14 but excluding other motor vehicles required to be registered  
15 under the Illinois Vehicle Code. Horticultural polyhouses or  
16 hoop houses used for propagating, growing, or overwintering  
17 plants shall be considered farm machinery and equipment under  
18 this item (7). Agricultural chemical tender tanks and dry boxes  
19 shall include units sold separately from a motor vehicle  
20 required to be licensed and units sold mounted on a motor  
21 vehicle required to be licensed if the selling price of the  
22 tender is separately stated.

23           Farm machinery and equipment shall include precision  
24 farming equipment that is installed or purchased to be  
25 installed on farm machinery and equipment including, but not  
26 limited to, tractors, harvesters, sprayers, planters, seeders,  
27 or spreaders. Precision farming equipment includes, but is not  
28 limited to, soil testing sensors, computers, monitors,  
29 software, global positioning and mapping systems, and other  
30 such equipment.

31           Farm machinery and equipment also includes computers,  
32 sensors, software, and related equipment used primarily in the  
33 computer-assisted operation of production agriculture  
34 facilities, equipment, and activities such as, but not limited  
35 to, the collection, monitoring, and correlation of animal and  
36 crop data for the purpose of formulating animal diets and

1 agricultural chemicals. This item (7) is exempt from the  
2 provisions of Section 3-55.

3 (8) Fuel and petroleum products sold to or used by an air  
4 common carrier, certified by the carrier to be used for  
5 consumption, shipment, or storage in the conduct of its  
6 business as an air common carrier, for a flight destined for or  
7 returning from a location or locations outside the United  
8 States without regard to previous or subsequent domestic  
9 stopovers.

10 (9) Proceeds of mandatory service charges separately  
11 stated on customers' bills for the purchase and consumption of  
12 food and beverages, to the extent that the proceeds of the  
13 service charge are in fact turned over as tips or as a  
14 substitute for tips to the employees who participate directly  
15 in preparing, serving, hosting or cleaning up the food or  
16 beverage function with respect to which the service charge is  
17 imposed.

18 (10) Until July 1, 2003, oil field exploration, drilling,  
19 and production equipment, including (i) rigs and parts of rigs,  
20 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
21 tubular goods, including casing and drill strings, (iii) pumps  
22 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
23 individual replacement part for oil field exploration,  
24 drilling, and production equipment, and (vi) machinery and  
25 equipment purchased for lease; but excluding motor vehicles  
26 required to be registered under the Illinois Vehicle Code.

27 (11) Photoprocessing machinery and equipment, including  
28 repair and replacement parts, both new and used, including that  
29 manufactured on special order, certified by the purchaser to be  
30 used primarily for photoprocessing, and including  
31 photoprocessing machinery and equipment purchased for lease.

32 (12) Until July 1, 2003, coal exploration, mining,  
33 offhighway hauling, processing, maintenance, and reclamation  
34 equipment, including replacement parts and equipment, and  
35 including equipment purchased for lease, but excluding motor  
36 vehicles required to be registered under the Illinois Vehicle

1 Code.

2 (13) Food for human consumption that is to be consumed off  
3 the premises where it is sold (other than alcoholic beverages,  
4 soft drinks and food that has been prepared for immediate  
5 consumption) and prescription and non-prescription medicines,  
6 drugs, medical appliances, and insulin, urine testing  
7 materials, syringes, and needles used by diabetics, for human  
8 use, when purchased for use by a person receiving medical  
9 assistance under Article 5 of the Illinois Public Aid Code who  
10 resides in a licensed long-term care facility, as defined in  
11 the Nursing Home Care Act.

12 (14) Semen used for artificial insemination of livestock  
13 for direct agricultural production.

14 (15) Horses, or interests in horses, registered with and  
15 meeting the requirements of any of the Arabian Horse Club  
16 Registry of America, Appaloosa Horse Club, American Quarter  
17 Horse Association, United States Trotting Association, or  
18 Jockey Club, as appropriate, used for purposes of breeding or  
19 racing for prizes.

20 (16) Computers and communications equipment utilized for  
21 any hospital purpose and equipment used in the diagnosis,  
22 analysis, or treatment of hospital patients sold to a lessor  
23 who leases the equipment, under a lease of one year or longer  
24 executed or in effect at the time of the purchase, to a  
25 hospital that has been issued an active tax exemption  
26 identification number by the Department under Section 1g of the  
27 Retailers' Occupation Tax Act.

28 (17) Personal property sold to a lessor who leases the  
29 property, under a lease of one year or longer executed or in  
30 effect at the time of the purchase, to a governmental body that  
31 has been issued an active tax exemption identification number  
32 by the Department under Section 1g of the Retailers' Occupation  
33 Tax Act.

34 (18) Beginning with taxable years ending on or after  
35 December 31, 1995 and ending with taxable years ending on or  
36 before December 31, 2004, personal property that is donated for

1 disaster relief to be used in a State or federally declared  
2 disaster area in Illinois or bordering Illinois by a  
3 manufacturer or retailer that is registered in this State to a  
4 corporation, society, association, foundation, or institution  
5 that has been issued a sales tax exemption identification  
6 number by the Department that assists victims of the disaster  
7 who reside within the declared disaster area.

8 (19) Beginning with taxable years ending on or after  
9 December 31, 1995 and ending with taxable years ending on or  
10 before December 31, 2004, personal property that is used in the  
11 performance of infrastructure repairs in this State, including  
12 but not limited to municipal roads and streets, access roads,  
13 bridges, sidewalks, waste disposal systems, water and sewer  
14 line extensions, water distribution and purification  
15 facilities, storm water drainage and retention facilities, and  
16 sewage treatment facilities, resulting from a State or  
17 federally declared disaster in Illinois or bordering Illinois  
18 when such repairs are initiated on facilities located in the  
19 declared disaster area within 6 months after the disaster.

20 (20) Beginning July 1, 1999, game or game birds sold at a  
21 "game breeding and hunting preserve area" or an "exotic game  
22 hunting area" as those terms are used in the Wildlife Code or  
23 at a hunting enclosure approved through rules adopted by the  
24 Department of Natural Resources. This paragraph is exempt from  
25 the provisions of Section 3-55.

26 (21) A motor vehicle, as that term is defined in Section  
27 1-146 of the Illinois Vehicle Code, that is donated to a  
28 corporation, limited liability company, society, association,  
29 foundation, or institution that is determined by the Department  
30 to be organized and operated exclusively for educational  
31 purposes. For purposes of this exemption, "a corporation,  
32 limited liability company, society, association, foundation,  
33 or institution organized and operated exclusively for  
34 educational purposes" means all tax-supported public schools,  
35 private schools that offer systematic instruction in useful  
36 branches of learning by methods common to public schools and



1 that compare favorably in their scope and intensity with the  
2 course of study presented in tax-supported schools, and  
3 vocational or technical schools or institutes organized and  
4 operated exclusively to provide a course of study of not less  
5 than 6 weeks duration and designed to prepare individuals to  
6 follow a trade or to pursue a manual, technical, mechanical,  
7 industrial, business, or commercial occupation.

8 (22) Beginning January 1, 2000, personal property,  
9 including food, purchased through fundraising events for the  
10 benefit of a public or private elementary or secondary school,  
11 a group of those schools, or one or more school districts if  
12 the events are sponsored by an entity recognized by the school  
13 district that consists primarily of volunteers and includes  
14 parents and teachers of the school children. This paragraph  
15 does not apply to fundraising events (i) for the benefit of  
16 private home instruction or (ii) for which the fundraising  
17 entity purchases the personal property sold at the events from  
18 another individual or entity that sold the property for the  
19 purpose of resale by the fundraising entity and that profits  
20 from the sale to the fundraising entity. This paragraph is  
21 exempt from the provisions of Section 3-55.

22 (23) Beginning January 1, 2000 and through December 31,  
23 2001, new or used automatic vending machines that prepare and  
24 serve hot food and beverages, including coffee, soup, and other  
25 items, and replacement parts for these machines. Beginning  
26 January 1, 2002 and through June 30, 2003, machines and parts  
27 for machines used in commercial, coin-operated amusement and  
28 vending business if a use or occupation tax is paid on the  
29 gross receipts derived from the use of the commercial,  
30 coin-operated amusement and vending machines. This paragraph  
31 is exempt from the provisions of Section 3-55.

32 (24) Beginning on the effective date of this amendatory Act  
33 of the 92nd General Assembly, computers and communications  
34 equipment utilized for any hospital purpose and equipment used  
35 in the diagnosis, analysis, or treatment of hospital patients  
36 sold to a lessor who leases the equipment, under a lease of one

1 year or longer executed or in effect at the time of the  
2 purchase, to a hospital that has been issued an active tax  
3 exemption identification number by the Department under  
4 Section 1g of the Retailers' Occupation Tax Act. This paragraph  
5 is exempt from the provisions of Section 3-55.

6 (25) Beginning on the effective date of this amendatory Act  
7 of the 92nd General Assembly, personal property sold to a  
8 lessor who leases the property, under a lease of one year or  
9 longer executed or in effect at the time of the purchase, to a  
10 governmental body that has been issued an active tax exemption  
11 identification number by the Department under Section 1g of the  
12 Retailers' Occupation Tax Act. This paragraph is exempt from  
13 the provisions of Section 3-55.

14 (26) Beginning on January 1, 2002, tangible personal  
15 property purchased from an Illinois retailer by a taxpayer  
16 engaged in centralized purchasing activities in Illinois who  
17 will, upon receipt of the property in Illinois, temporarily  
18 store the property in Illinois (i) for the purpose of  
19 subsequently transporting it outside this State for use or  
20 consumption thereafter solely outside this State or (ii) for  
21 the purpose of being processed, fabricated, or manufactured  
22 into, attached to, or incorporated into other tangible personal  
23 property to be transported outside this State and thereafter  
24 used or consumed solely outside this State. The Director of  
25 Revenue shall, pursuant to rules adopted in accordance with the  
26 Illinois Administrative Procedure Act, issue a permit to any  
27 taxpayer in good standing with the Department who is eligible  
28 for the exemption under this paragraph (26). The permit issued  
29 under this paragraph (26) shall authorize the holder, to the  
30 extent and in the manner specified in the rules adopted under  
31 this Act, to purchase tangible personal property from a  
32 retailer exempt from the taxes imposed by this Act. Taxpayers  
33 shall maintain all necessary books and records to substantiate  
34 the use and consumption of all such tangible personal property  
35 outside of the State of Illinois.

36 (27) On and after July 1, 2006 and through June 30, 2011,

1 distillation machinery and equipment, sold as a unit or kit,  
2 assembled or installed by the retailer, certified by the user  
3 to be used only for the production of renewable fuel that will  
4 be used for consumption as motor fuel or as a component of  
5 motor fuel. For the purpose of this item (27), "renewable fuel"  
6 has the meaning set forth in the Illinois Renewable Fuels  
7 Development Program Act.

8 (Source: P.A. 92-16, eff. 6-28-01; 92-35, eff. 7-1-01; 92-227,  
9 eff. 8-2-01; 92-337, eff. 8-10-01; 92-484, eff. 8-23-01;  
10 92-488, eff. 8-23-01; 92-651, eff. 7-11-02; 93-24, eff.  
11 6-20-03; 93-840, eff. 7-30-04.)

12 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

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

31 Except as provided hereinafter in this Section, on or  
32 before the twentieth day of each calendar month, such  
33 serviceman shall file a return for the preceding calendar month  
34 in accordance with reasonable rules and regulations to be  
35 promulgated by the Department of Revenue. Such return shall be

1 filed on a form prescribed by the Department and shall contain  
2 such information as the Department may reasonably require.

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

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

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

27 Prior to October 1, 2003, and on and after September 1,  
28 2004 a serviceman may accept a Manufacturer's Purchase Credit  
29 certification from a purchaser in satisfaction of Service Use  
30 Tax as provided in Section 3-70 of the Service Use Tax Act if  
31 the purchaser provides the appropriate documentation as  
32 required by Section 3-70 of the Service Use Tax Act. A  
33 Manufacturer's Purchase Credit certification, accepted prior  
34 to October 1, 2003 or on or after September 1, 2004 by a  
35 serviceman as provided in Section 3-70 of the Service Use Tax  
36 Act, may be used by that serviceman to satisfy Service

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 Beginning on the effective date of this amendatory Act of  
22 the 94th General Assembly, each month the Department shall pay  
23 into the Renewable Fuels Development Program Fund 5% of the net  
24 revenue realized for the preceding month from the 6.25% rate on  
25 the selling price of motor fuel and gasohol.

26 Beginning on the effective date of this amendatory Act of  
27 the 94th General Assembly, each month the Department shall pay  
28 into the Underground Storage Tank Fund 5% of the net revenue  
29 realized for the preceding month from the 6.25% 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  
35 Build Illinois Fund; provided, however, that if in any fiscal  
36 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case



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

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

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

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

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

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

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

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

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

3 Remaining moneys received by the Department pursuant to  
4 this Act shall be paid into the General Revenue Fund of the  
5 State Treasury.

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

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

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

1           assessed and collected in the same manner as any other  
2           penalty provided for in this Act.

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

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

14          The foregoing portion of this Section concerning the filing  
15          of an annual information return shall not apply to a serviceman  
16          who is not required to file an income tax return with the  
17          United States Government.

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

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

29          For greater simplicity of administration, it shall be  
30          permissible for manufacturers, importers and wholesalers whose  
31          products are sold by numerous servicemen in Illinois, and who  
32          wish to do so, to assume the responsibility for accounting and  
33          paying to the Department all tax accruing under this Act with  
34          respect to such sales, if the servicemen who are affected do  
35          not make written objection to the Department to this  
36          arrangement.

1 (Source: P.A. 92-12, eff. 7-1-01; 92-208, eff. 8-2-01; 92-492,  
2 eff. 1-1-02; 92-600, eff. 6-28-02; 92-651, eff. 7-11-02; 93-24,  
3 eff. 6-20-03; 93-840, eff. 7-30-04.)

4 Section 30. The Retailers' Occupation Tax Act is amended by  
5 changing Sections 2-5 and 3 as follows:

6 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

7 Sec. 2-5. Exemptions. Gross receipts from proceeds from the  
8 sale of the following tangible personal property are exempt  
9 from the tax imposed by this Act:

10 (1) Farm chemicals.

11 (2) Farm machinery and equipment, both new and used,  
12 including that manufactured on special order, certified by the  
13 purchaser to be used primarily for production agriculture or  
14 State or federal agricultural programs, including individual  
15 replacement parts for the machinery and equipment, including  
16 machinery and equipment purchased for lease, and including  
17 implements of husbandry defined in Section 1-130 of the  
18 Illinois Vehicle Code, farm machinery and agricultural  
19 chemical and fertilizer spreaders, and nurse wagons required to  
20 be registered under Section 3-809 of the Illinois Vehicle Code,  
21 but excluding other motor vehicles required to be registered  
22 under the Illinois Vehicle Code. Horticultural polyhouses or  
23 hoop houses used for propagating, growing, or overwintering  
24 plants shall be considered farm machinery and equipment under  
25 this item (2). Agricultural chemical tender tanks and dry boxes  
26 shall include units sold separately from a motor vehicle  
27 required to be licensed and units sold mounted on a motor  
28 vehicle required to be licensed, if the selling price of the  
29 tender is separately stated.

30 Farm machinery and equipment shall include precision  
31 farming equipment that is installed or purchased to be  
32 installed on farm machinery and equipment including, but not  
33 limited to, tractors, harvesters, sprayers, planters, seeders,  
34 or spreaders. Precision farming equipment includes, but is not

1 limited to, soil testing sensors, computers, monitors,  
2 software, global positioning and mapping systems, and other  
3 such equipment.

4 Farm machinery and equipment also includes computers,  
5 sensors, software, and related equipment used primarily in the  
6 computer-assisted operation of production agriculture  
7 facilities, equipment, and activities such as, but not limited  
8 to, the collection, monitoring, and correlation of animal and  
9 crop data for the purpose of formulating animal diets and  
10 agricultural chemicals. This item (7) is exempt from the  
11 provisions of Section 2-70.

12 (3) Until July 1, 2003, distillation machinery and  
13 equipment, sold as a unit or kit, assembled or installed by the  
14 retailer, certified by the user to be used only for the  
15 production of ethyl alcohol that will be used for consumption  
16 as motor fuel or as a component of motor fuel for the personal  
17 use of the user, and not subject to sale or resale.

18 (4) Until July 1, 2003 and beginning again September 1,  
19 2004, graphic arts machinery and equipment, including repair  
20 and replacement parts, both new and used, and including that  
21 manufactured on special order or purchased for lease, certified  
22 by the purchaser to be used primarily for graphic arts  
23 production. Equipment includes chemicals or chemicals acting  
24 as catalysts but only if the chemicals or chemicals acting as  
25 catalysts effect a direct and immediate change upon a graphic  
26 arts product.

27 (5) A motor vehicle of the first division, a motor vehicle  
28 of the second division that is a self-contained motor vehicle  
29 designed or permanently converted to provide living quarters  
30 for recreational, camping, or travel use, with direct walk  
31 through access to the living quarters from the driver's seat,  
32 or a motor vehicle of the second division that is of the van  
33 configuration designed for the transportation of not less than  
34 7 nor more than 16 passengers, as defined in Section 1-146 of  
35 the Illinois Vehicle Code, that is used for automobile renting,  
36 as defined in the Automobile Renting Occupation and Use Tax



1 Act.

2 (6) Personal property sold by a teacher-sponsored student  
3 organization affiliated with an elementary or secondary school  
4 located in Illinois.

5 (7) Until July 1, 2003, proceeds of that portion of the  
6 selling price of a passenger car the sale of which is subject  
7 to the Replacement Vehicle Tax.

8 (8) Personal property sold to an Illinois county fair  
9 association for use in conducting, operating, or promoting the  
10 county fair.

11 (9) Personal property sold to a not-for-profit arts or  
12 cultural organization that establishes, by proof required by  
13 the Department by rule, that it has received an exemption under  
14 Section 501(c)(3) of the Internal Revenue Code and that is  
15 organized and operated primarily for the presentation or  
16 support of arts or cultural programming, activities, or  
17 services. These organizations include, but are not limited to,  
18 music and dramatic arts organizations such as symphony  
19 orchestras and theatrical groups, arts and cultural service  
20 organizations, local arts councils, visual arts organizations,  
21 and media arts organizations. On and after the effective date  
22 of this amendatory Act of the 92nd General Assembly, however,  
23 an entity otherwise eligible for this exemption shall not make  
24 tax-free purchases unless it has an active identification  
25 number issued by the Department.

26 (10) Personal property sold by a corporation, society,  
27 association, foundation, institution, or organization, other  
28 than a limited liability company, that is organized and  
29 operated as a not-for-profit service enterprise for the benefit  
30 of persons 65 years of age or older if the personal property  
31 was not purchased by the enterprise for the purpose of resale  
32 by the enterprise.

33 (11) Personal property sold to a governmental body, to a  
34 corporation, society, association, foundation, or institution  
35 organized and operated exclusively for charitable, religious,  
36 or educational purposes, or to a not-for-profit corporation,

1 society, association, foundation, institution, or organization  
2 that has no compensated officers or employees and that is  
3 organized and operated primarily for the recreation of persons  
4 55 years of age or older. A limited liability company may  
5 qualify for the exemption under this paragraph only if the  
6 limited liability company is organized and operated  
7 exclusively for educational purposes. On and after July 1,  
8 1987, however, no entity otherwise eligible for this exemption  
9 shall make tax-free purchases unless it has an active  
10 identification number issued by the Department.

11 (12) Tangible personal property sold to interstate  
12 carriers for hire for use as rolling stock moving in interstate  
13 commerce or to lessors under leases of one year or longer  
14 executed or in effect at the time of purchase by interstate  
15 carriers for hire for use as rolling stock moving in interstate  
16 commerce and equipment operated by a telecommunications  
17 provider, licensed as a common carrier by the Federal  
18 Communications Commission, which is permanently installed in  
19 or affixed to aircraft moving in interstate commerce.

20 (12-5) On and after July 1, 2003 and through June 30, 2004,  
21 motor vehicles of the second division with a gross vehicle  
22 weight in excess of 8,000 pounds that are subject to the  
23 commercial distribution fee imposed under Section 3-815.1 of  
24 the Illinois Vehicle Code. Beginning on July 1, 2004 and  
25 through June 30, 2005, the use in this State of motor vehicles  
26 of the second division: (i) with a gross vehicle weight rating  
27 in excess of 8,000 pounds; (ii) that are subject to the  
28 commercial distribution fee imposed under Section 3-815.1 of  
29 the Illinois Vehicle Code; and (iii) that are primarily used  
30 for commercial purposes. Through June 30, 2005, this exemption  
31 applies to repair and replacement parts added after the initial  
32 purchase of such a motor vehicle if that motor vehicle is used  
33 in a manner that would qualify for the rolling stock exemption  
34 otherwise provided for in this Act. For purposes of this  
35 paragraph, "used for commercial purposes" means the  
36 transportation of persons or property in furtherance of any

1 commercial or industrial enterprise whether for-hire or not.

2 (13) Proceeds from sales to owners, lessors, or shippers of  
3 tangible personal property that is utilized by interstate  
4 carriers for hire for use as rolling stock moving in interstate  
5 commerce and equipment operated by a telecommunications  
6 provider, licensed as a common carrier by the Federal  
7 Communications Commission, which is permanently installed in  
8 or affixed to aircraft moving in interstate commerce.

9 (14) Machinery and equipment that will be used by the  
10 purchaser, or a lessee of the purchaser, primarily in the  
11 process of manufacturing or assembling tangible personal  
12 property for wholesale or retail sale or lease, whether the  
13 sale or lease is made directly by the manufacturer or by some  
14 other person, whether the materials used in the process are  
15 owned by the manufacturer or some other person, or whether the  
16 sale or lease is made apart from or as an incident to the  
17 seller's engaging in the service occupation of producing  
18 machines, tools, dies, jigs, patterns, gauges, or other similar  
19 items of no commercial value on special order for a particular  
20 purchaser.

21 (15) Proceeds of mandatory service charges separately  
22 stated on customers' bills for purchase and consumption of food  
23 and beverages, to the extent that the proceeds of the service  
24 charge are in fact turned over as tips or as a substitute for  
25 tips to the employees who participate directly in preparing,  
26 serving, hosting or cleaning up the food or beverage function  
27 with respect to which the service charge is imposed.

28 (16) Petroleum products sold to a purchaser if the seller  
29 is prohibited by federal law from charging tax to the  
30 purchaser.

31 (17) Tangible personal property sold to a common carrier by  
32 rail or motor that receives the physical possession of the  
33 property in Illinois and that transports the property, or  
34 shares with another common carrier in the transportation of the  
35 property, out of Illinois on a standard uniform bill of lading  
36 showing the seller of the property as the shipper or consignor

1 of the property to a destination outside Illinois, for use  
2 outside Illinois.

3 (18) Legal tender, currency, medallions, or gold or silver  
4 coinage issued by the State of Illinois, the government of the  
5 United States of America, or the government of any foreign  
6 country, and bullion.

7 (19) Until July 1 2003, oil field exploration, drilling,  
8 and production equipment, including (i) rigs and parts of rigs,  
9 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
10 tubular goods, including casing and drill strings, (iii) pumps  
11 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
12 individual replacement part for oil field exploration,  
13 drilling, and production equipment, and (vi) machinery and  
14 equipment purchased for lease; but excluding motor vehicles  
15 required to be registered under the Illinois Vehicle Code.

16 (20) Photoprocessing machinery and equipment, including  
17 repair and replacement parts, both new and used, including that  
18 manufactured on special order, certified by the purchaser to be  
19 used primarily for photoprocessing, and including  
20 photoprocessing machinery and equipment purchased for lease.

21 (21) Until July 1, 2003, coal exploration, mining,  
22 offhighway hauling, processing, maintenance, and reclamation  
23 equipment, including replacement parts and equipment, and  
24 including equipment purchased for lease, but excluding motor  
25 vehicles required to be registered under the Illinois Vehicle  
26 Code.

27 (22) Fuel and petroleum products sold to or used by an air  
28 carrier, certified by the carrier to be used for consumption,  
29 shipment, or storage in the conduct of its business as an air  
30 common carrier, for a flight destined for or returning from a  
31 location or locations outside the United States without regard  
32 to previous or subsequent domestic stopovers.

33 (23) A transaction in which the purchase order is received  
34 by a florist who is located outside Illinois, but who has a  
35 florist located in Illinois deliver the property to the  
36 purchaser or the purchaser's donee in Illinois.

1           (24) Fuel consumed or used in the operation of ships,  
2 barges, or vessels that are used primarily in or for the  
3 transportation of property or the conveyance of persons for  
4 hire on rivers bordering on this State if the fuel is delivered  
5 by the seller to the purchaser's barge, ship, or vessel while  
6 it is afloat upon that bordering river.

7           (25) Except as provided in item (25-5) of this Section, a  
8 motor vehicle sold in this State to a nonresident even though  
9 the motor vehicle is delivered to the nonresident in this  
10 State, if the motor vehicle is not to be titled in this State,  
11 and if a drive-away permit is issued to the motor vehicle as  
12 provided in Section 3-603 of the Illinois Vehicle Code or if  
13 the nonresident purchaser has vehicle registration plates to  
14 transfer to the motor vehicle upon returning to his or her home  
15 state. The issuance of the drive-away permit or having the  
16 out-of-state registration plates to be transferred is prima  
17 facie evidence that the motor vehicle will not be titled in  
18 this State.

19           (25-5) The exemption under item (25) does not apply if the  
20 state in which the motor vehicle will be titled does not allow  
21 a reciprocal exemption for a motor vehicle sold and delivered  
22 in that state to an Illinois resident but titled in Illinois.  
23 The tax collected under this Act on the sale of a motor vehicle  
24 in this State to a resident of another state that does not  
25 allow a reciprocal exemption shall be imposed at a rate equal  
26 to the state's rate of tax on taxable property in the state in  
27 which the purchaser is a resident, except that the tax shall  
28 not exceed the tax that would otherwise be imposed under this  
29 Act. At the time of the sale, the purchaser shall execute a  
30 statement, signed under penalty of perjury, of his or her  
31 intent to title the vehicle in the state in which the purchaser  
32 is a resident within 30 days after the sale and of the fact of  
33 the payment to the State of Illinois of tax in an amount  
34 equivalent to the state's rate of tax on taxable property in  
35 his or her state of residence and shall submit the statement to  
36 the appropriate tax collection agency in his or her state of

1 residence. In addition, the retailer must retain a signed copy  
2 of the statement in his or her records. Nothing in this item  
3 shall be construed to require the removal of the vehicle from  
4 this state following the filing of an intent to title the  
5 vehicle in the purchaser's state of residence if the purchaser  
6 titles the vehicle in his or her state of residence within 30  
7 days after the date of sale. The tax collected under this Act  
8 in accordance with this item (25-5) shall be proportionately  
9 distributed as if the tax were collected at the 6.25% general  
10 rate imposed under this Act.

11 (26) Semen used for artificial insemination of livestock  
12 for direct agricultural production.

13 (27) Horses, or interests in horses, registered with and  
14 meeting the requirements of any of the Arabian Horse Club  
15 Registry of America, Appaloosa Horse Club, American Quarter  
16 Horse Association, United States Trotting Association, or  
17 Jockey Club, as appropriate, used for purposes of breeding or  
18 racing for prizes.

19 (28) Computers and communications equipment utilized for  
20 any hospital purpose and equipment used in the diagnosis,  
21 analysis, or treatment of hospital patients sold to a lessor  
22 who leases the equipment, under a lease of one year or longer  
23 executed or in effect at the time of the purchase, to a  
24 hospital that has been issued an active tax exemption  
25 identification number by the Department under Section 1g of  
26 this Act.

27 (29) Personal property sold to a lessor who leases the  
28 property, under a lease of one year or longer executed or in  
29 effect at the time of the purchase, to a governmental body that  
30 has been issued an active tax exemption identification number  
31 by the Department under Section 1g of this Act.

32 (30) Beginning with taxable years ending on or after  
33 December 31, 1995 and ending with taxable years ending on or  
34 before December 31, 2004, personal property that is donated for  
35 disaster relief to be used in a State or federally declared  
36 disaster area in Illinois or bordering Illinois by a

1 manufacturer or retailer that is registered in this State to a  
2 corporation, society, association, foundation, or institution  
3 that has been issued a sales tax exemption identification  
4 number by the Department that assists victims of the disaster  
5 who reside within the declared disaster area.

6 (31) Beginning with taxable years ending on or after  
7 December 31, 1995 and ending with taxable years ending on or  
8 before December 31, 2004, personal property that is used in the  
9 performance of infrastructure repairs in this State, including  
10 but not limited to municipal roads and streets, access roads,  
11 bridges, sidewalks, waste disposal systems, water and sewer  
12 line extensions, water distribution and purification  
13 facilities, storm water drainage and retention facilities, and  
14 sewage treatment facilities, resulting from a State or  
15 federally declared disaster in Illinois or bordering Illinois  
16 when such repairs are initiated on facilities located in the  
17 declared disaster area within 6 months after the disaster.

18 (32) Beginning July 1, 1999, game or game birds sold at a  
19 "game breeding and hunting preserve area" or an "exotic game  
20 hunting area" as those terms are used in the Wildlife Code or  
21 at a hunting enclosure approved through rules adopted by the  
22 Department of Natural Resources. This paragraph is exempt from  
23 the provisions of Section 2-70.

24 (33) A motor vehicle, as that term is defined in Section  
25 1-146 of the Illinois Vehicle Code, that is donated to a  
26 corporation, limited liability company, society, association,  
27 foundation, or institution that is determined by the Department  
28 to be organized and operated exclusively for educational  
29 purposes. For purposes of this exemption, "a corporation,  
30 limited liability company, society, association, foundation,  
31 or institution organized and operated exclusively for  
32 educational purposes" means all tax-supported public schools,  
33 private schools that offer systematic instruction in useful  
34 branches of learning by methods common to public schools and  
35 that compare favorably in their scope and intensity with the  
36 course of study presented in tax-supported schools, and

1 vocational or technical schools or institutes organized and  
2 operated exclusively to provide a course of study of not less  
3 than 6 weeks duration and designed to prepare individuals to  
4 follow a trade or to pursue a manual, technical, mechanical,  
5 industrial, business, or commercial occupation.

6 (34) Beginning January 1, 2000, personal property,  
7 including food, purchased through fundraising events for the  
8 benefit of a public or private elementary or secondary school,  
9 a group of those schools, or one or more school districts if  
10 the events are sponsored by an entity recognized by the school  
11 district that consists primarily of volunteers and includes  
12 parents and teachers of the school children. This paragraph  
13 does not apply to fundraising events (i) for the benefit of  
14 private home instruction or (ii) for which the fundraising  
15 entity purchases the personal property sold at the events from  
16 another individual or entity that sold the property for the  
17 purpose of resale by the fundraising entity and that profits  
18 from the sale to the fundraising entity. This paragraph is  
19 exempt from the provisions of Section 2-70.

20 (35) Beginning January 1, 2000 and through December 31,  
21 2001, new or used automatic vending machines that prepare and  
22 serve hot food and beverages, including coffee, soup, and other  
23 items, and replacement parts for these machines. Beginning  
24 January 1, 2002 and through June 30, 2003, machines and parts  
25 for machines used in commercial, coin-operated amusement and  
26 vending business if a use or occupation tax is paid on the  
27 gross receipts derived from the use of the commercial,  
28 coin-operated amusement and vending machines. This paragraph  
29 is exempt from the provisions of Section 2-70.

30 (35-5) Food for human consumption that is to be consumed  
31 off the premises where it is sold (other than alcoholic  
32 beverages, soft drinks, and food that has been prepared for  
33 immediate consumption) and prescription and nonprescription  
34 medicines, drugs, medical appliances, and insulin, urine  
35 testing materials, syringes, and needles used by diabetics, for  
36 human use, when purchased for use by a person receiving medical



1 assistance under Article 5 of the Illinois Public Aid Code who  
2 resides in a licensed long-term care facility, as defined in  
3 the Nursing Home Care Act.

4 (36) Beginning August 2, 2001, computers and  
5 communications equipment utilized for any hospital purpose and  
6 equipment used in the diagnosis, analysis, or treatment of  
7 hospital patients sold to a lessor who leases the equipment,  
8 under a lease of one year or longer executed or in effect at  
9 the time of the purchase, to a hospital that has been issued an  
10 active tax exemption identification number by the Department  
11 under Section 1g of this Act. This paragraph is exempt from the  
12 provisions of Section 2-70.

13 (37) Beginning August 2, 2001, personal property sold to a  
14 lessor who leases the property, under a lease of one year or  
15 longer executed or in effect at the time of the purchase, to a  
16 governmental body that has been issued an active tax exemption  
17 identification number by the Department under Section 1g of  
18 this Act. This paragraph is exempt from the provisions of  
19 Section 2-70.

20 (38) Beginning on January 1, 2002, tangible personal  
21 property purchased from an Illinois retailer by a taxpayer  
22 engaged in centralized purchasing activities in Illinois who  
23 will, upon receipt of the property in Illinois, temporarily  
24 store the property in Illinois (i) for the purpose of  
25 subsequently transporting it outside this State for use or  
26 consumption thereafter solely outside this State or (ii) for  
27 the purpose of being processed, fabricated, or manufactured  
28 into, attached to, or incorporated into other tangible personal  
29 property to be transported outside this State and thereafter  
30 used or consumed solely outside this State. The Director of  
31 Revenue shall, pursuant to rules adopted in accordance with the  
32 Illinois Administrative Procedure Act, issue a permit to any  
33 taxpayer in good standing with the Department who is eligible  
34 for the exemption under this paragraph (38). The permit issued  
35 under this paragraph (38) shall authorize the holder, to the  
36 extent and in the manner specified in the rules adopted under

1 this Act, to purchase tangible personal property from a  
2 retailer exempt from the taxes imposed by this Act. Taxpayers  
3 shall maintain all necessary books and records to substantiate  
4 the use and consumption of all such tangible personal property  
5 outside of the State of Illinois.

6 (39) On and after July 1, 2006 and through June 30, 2011,  
7 distillation machinery and equipment, sold as a unit or kit,  
8 assembled or installed by the retailer, certified by the user  
9 to be used only for the production of renewable fuel that will  
10 be used for consumption as motor fuel or as a component of  
11 motor fuel. For the purpose of this item (39), "renewable fuel"  
12 has the meaning set forth in the Illinois Renewable Fuels  
13 Development Program Act.

14 (Source: P.A. 92-16, eff. 6-28-01; 92-35, eff. 7-1-01; 92-227,  
15 eff. 8-2-01; 92-337, eff. 8-10-01; 92-484, eff. 8-23-01;  
16 92-488, eff. 8-23-01; 92-651, eff. 7-11-02; 92-680, eff.  
17 7-16-02; 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; 93-840, eff.  
18 7-30-04; 93-1033, eff. 9-3-04; 93-1068, eff. 1-15-05.)

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,  
33 from sales of tangible personal property, and from services  
34 furnished, by him during such preceding calendar month or  
35 quarter;

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

6           5. Deductions allowed by law;

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

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

12          8. The amount of tax due;

13          9. The signature of the taxpayer; and

14          10. Such other reasonable information as the  
15          Department may require.

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

20          Each return shall be accompanied by the statement of  
21          prepaid tax issued pursuant to Section 2e for which credit is  
22          claimed.

23          Prior to October 1, 2003, and on and after September 1,  
24          2004 a retailer may accept a Manufacturer's Purchase Credit  
25          certification from a purchaser in satisfaction of Use Tax as  
26          provided in Section 3-85 of the Use Tax Act if the purchaser  
27          provides the appropriate documentation as required by Section  
28          3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
29          certification, accepted by a retailer prior to October 1, 2003  
30          and on and after September 1, 2004 as provided in Section 3-85  
31          of the Use Tax Act, may be used by that retailer to satisfy  
32          Retailers' Occupation Tax liability in the amount claimed in  
33          the certification, not to exceed 6.25% of the receipts subject  
34          to tax from a qualifying purchase. A Manufacturer's Purchase  
35          Credit reported on any original or amended return filed under  
36          this Act after October 20, 2003 for reporting periods prior to

1 September 1, 2004 shall be disallowed. Manufacturer's  
2 Purchaser Credit reported on annual returns due on or after  
3 January 1, 2005 will be disallowed for periods prior to  
4 September 1, 2004. No Manufacturer's Purchase Credit may be  
5 used after September 30, 2003 through August 31, 2004 to  
6 satisfy any tax liability imposed under this Act, including any  
7 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  
35 paid for alcoholic liquor purchased during the preceding month  
36 and such other information as is reasonably required by the

1 Department. The Department may adopt rules to require that this  
2 statement be filed in an electronic or telephonic format. Such  
3 rules may provide for exceptions from the filing requirements  
4 of this paragraph. For the purposes of this paragraph, the term  
5 "alcoholic liquor" shall have the meaning prescribed in the  
6 Liquor Control Act of 1934.

7 Beginning on October 1, 2003, every distributor, importing  
8 distributor, and manufacturer of alcoholic liquor as defined in  
9 the Liquor Control Act of 1934, shall file a statement with the  
10 Department of Revenue, no later than the 10th day of the month  
11 for the preceding month during which transactions occurred, by  
12 electronic means, showing the total amount of gross receipts  
13 from the sale of alcoholic liquor sold or distributed during  
14 the preceding month to purchasers; identifying the purchaser to  
15 whom it was sold or distributed; the purchaser's tax  
16 registration number; and such other information reasonably  
17 required by the Department. A distributor, importing  
18 distributor, or manufacturer of alcoholic liquor must  
19 personally deliver, mail, or provide by electronic means to  
20 each retailer listed on the monthly statement a report  
21 containing a cumulative total of that distributor's, importing  
22 distributor's, or manufacturer's total sales of alcoholic  
23 liquor to that retailer no later than the 10th day of the month  
24 for the preceding month during which the transaction occurred.  
25 The distributor, importing distributor, or manufacturer shall  
26 notify the retailer as to the method by which the distributor,  
27 importing distributor, or manufacturer will provide the sales  
28 information. If the retailer is unable to receive the sales  
29 information by electronic means, the distributor, importing  
30 distributor, or manufacturer shall furnish the sales  
31 information by personal delivery or by mail. For purposes of  
32 this paragraph, the term "electronic means" includes, but is  
33 not limited to, the use of a secure Internet website, e-mail,  
34 or facsimile.

35 If a total amount of less than \$1 is payable, refundable or  
36 creditable, such amount shall be disregarded if it is less than

1 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

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

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

35 All taxpayers required to make payment by electronic funds  
36 transfer and any taxpayers authorized to voluntarily make

1 payments by electronic funds transfer shall make those payments  
2 in the manner authorized by the Department.

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

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

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

24 If the retailer is otherwise required to file a monthly or  
25 quarterly return and if the retailer's average monthly tax  
26 liability with the Department does not exceed \$50, the  
27 Department may authorize his returns to be filed on an annual  
28 basis, with the return for a given year being due by January 20  
29 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 retailer may file his return, in the  
35 case of any retailer who ceases to engage in a kind of business  
36 which makes him responsible for filing returns under this Act,

1 such retailer shall file a final return under this Act with the  
2 Department not more than one month after discontinuing such  
3 business.

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

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

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



1 to file monthly or quarterly returns, need not file monthly or  
2 quarterly returns. However, those retailers shall be required  
3 to file returns on an annual basis.

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

25 The transaction reporting return in the case of watercraft  
26 or aircraft must show the name and address of the seller; the  
27 name and address of the purchaser; the amount of the selling  
28 price including the amount allowed by the retailer for  
29 traded-in property, if any; the amount allowed by the retailer  
30 for the traded-in tangible personal property, if any, to the  
31 extent to which Section 1 of this Act allows an exemption for  
32 the value of traded-in property; the balance payable after  
33 deducting such trade-in allowance from the total selling price;  
34 the amount of tax due from the retailer with respect to such  
35 transaction; the amount of tax collected from the purchaser by  
36 the retailer on such transaction (or satisfactory evidence that

1 such tax is not due in that particular instance, if that is  
2 claimed to be the fact); the place and date of the sale, a  
3 sufficient identification of the property sold, and such other  
4 information as the Department may reasonably require.

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

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

30 No retailer's failure or refusal to remit tax under this  
31 Act precludes a user, who has paid the proper tax to the  
32 retailer, from obtaining his certificate of title or other  
33 evidence of title or registration (if titling or registration  
34 is required) upon satisfying the Department that such user has  
35 paid the proper tax (if tax is due) to the retailer. The  
36 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  
35 the limited liability company.

36       Except as provided in this Section, the retailer filing the

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

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

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

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

1 paid, except insofar as the taxpayer has previously made  
2 payments for that month to the Department in excess of the  
3 minimum payments previously due as provided in this Section.  
4 The Department shall make reasonable rules and regulations to  
5 govern the quarter monthly payment amount and quarter monthly  
6 payment dates for taxpayers who file on other than a calendar  
7 monthly basis.

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

1 prepaid tax collections during the preceding 2 complete  
2 calendar quarters is \$25,000 or less. If any such quarter  
3 monthly payment is not paid at the time or in the amount  
4 required, the taxpayer shall be liable for penalties and  
5 interest on such difference, except insofar as the taxpayer has  
6 previously made payments for that month in excess of the  
7 minimum payments previously due.

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



1 previously due.

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

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

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

1 drugs, medical appliances and insulin, urine testing  
2 materials, syringes and needles used by diabetics.

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

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

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

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

20 Beginning on the effective date of this amendatory Act of  
21 the 94th General Assembly, each month the Department shall pay  
22 into the Renewable Fuels Development Program Fund 5% of the net  
23 revenue realized for the preceding month from the 6.25% rate on  
24 the selling price of motor fuel and gasohol.

25 Beginning on the effective date of this amendatory Act of  
26 the 94th General Assembly, each month the Department shall pay  
27 into the Underground Storage Tank Fund 5% of the net revenue  
28 realized for the preceding month from the 6.25% rate on the  
29 selling price of motor fuel and gasohol.

30 Of the remainder of the moneys received by the Department  
31 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
32 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
33 and after July 1, 1989, 3.8% thereof shall be paid into the  
34 Build Illinois Fund; provided, however, that if in any fiscal  
35 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
36 may be, of the moneys received by the Department and required

1 to be paid into the Build Illinois Fund pursuant to this Act,  
 2 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax  
 3 Act, and Section 9 of the Service Occupation Tax Act, such Acts  
 4 being hereinafter called the "Tax Acts" and such aggregate of  
 5 2.2% or 3.8%, as the case may be, of moneys being hereinafter  
 6 called the "Tax Act Amount", and (2) the amount transferred to  
 7 the Build Illinois Fund from the State and Local Sales Tax  
 8 Reform Fund shall be less than the Annual Specified Amount (as  
 9 hereinafter defined), an amount equal to the difference shall  
 10 be immediately paid into the Build Illinois Fund from other  
 11 moneys received by the Department pursuant to the Tax Acts; the  
 12 "Annual Specified Amount" means the amounts specified below for  
 13 fiscal years 1986 through 1993:

14	Fiscal Year	Annual Specified Amount
15	1986	\$54,800,000
16	1987	\$76,650,000
17	1988	\$80,480,000
18	1989	\$88,510,000
19	1990	\$115,330,000
20	1991	\$145,470,000
21	1992	\$182,730,000
22	1993	\$206,520,000;

23 and means the Certified Annual Debt Service Requirement (as  
 24 defined in Section 13 of the Build Illinois Bond Act) or the  
 25 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
 26 each fiscal year thereafter; and further provided, that if on  
 27 the last business day of any month the sum of (1) the Tax Act  
 28 Amount required to be deposited into the Build Illinois Bond  
 29 Account in the Build Illinois Fund during such month and (2)  
 30 the amount transferred to the Build Illinois Fund from the  
 31 State and Local Sales Tax Reform Fund shall have been less than  
 32 1/12 of the Annual Specified Amount, an amount equal to the  
 33 difference shall be immediately paid into the Build Illinois  
 34 Fund from other moneys received by the Department pursuant to  
 35 the Tax Acts; and, further provided, that in no event shall the  
 36 payments required under the preceding proviso result in

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

36 Subject to payment of amounts into the Build Illinois Fund

1 as provided in the preceding paragraph or in any amendment  
 2 thereto hereafter enacted, the following specified monthly  
 3 installment of the amount requested in the certificate of the  
 4 Chairman of the Metropolitan Pier and Exposition Authority  
 5 provided under Section 8.25f of the State Finance Act, but not  
 6 in excess of sums designated as "Total Deposit", shall be  
 7 deposited in the aggregate from collections under Section 9 of  
 8 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
 9 of the Service Occupation Tax Act, and Section 3 of the  
 10 Retailers' Occupation Tax Act into the McCormick Place  
 11 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
13	1993	\$0
14	1994	53,000,000
15	1995	58,000,000
16	1996	61,000,000
17	1997	64,000,000
18	1998	68,000,000
19	1999	71,000,000
20	2000	75,000,000
21	2001	80,000,000
22	2002	93,000,000
23	2003	99,000,000
24	2004	103,000,000
25	2005	108,000,000
26	2006	113,000,000
27	2007	119,000,000
28	2008	126,000,000
29	2009	132,000,000
30	2010	139,000,000
31	2011	146,000,000
32	2012	153,000,000
33	2013	161,000,000
34	2014	170,000,000
35	2015	179,000,000

1	2016	189,000,000
2	2017	199,000,000
3	2018	210,000,000
4	2019	221,000,000
5	2020	233,000,000
6	2021	246,000,000
7	2022	260,000,000
8	2023 and	275,000,000

9           each fiscal year

10          thereafter that bonds

11          are outstanding under

12           Section 13.2 of the

13          Metropolitan Pier and

14          Exposition Authority Act,

15          but not after fiscal year 2042.

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

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

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

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

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

1 retailer during such year, payroll information of the  
2 retailer's business during such year and any additional  
3 reasonable information which the Department deems would be  
4 helpful in determining the accuracy of the monthly, quarterly  
5 or annual returns filed by such retailer as provided for in  
6 this Section.

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

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

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

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

28 The provisions of this Section concerning the filing of an  
29 annual information return do not apply to a retailer who is not  
30 required to file an income tax return with the United States  
31 Government.

32 As soon as possible after the first day of each month, upon  
33 certification of the Department of Revenue, the Comptroller  
34 shall order transferred and the Treasurer shall transfer from  
35 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
36 equal to 1.7% of 80% of the net revenue realized under this Act



1 for the second preceding month. Beginning April 1, 2000, this  
2 transfer is no longer required and shall not be made.

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

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

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

31 Any person engaged in the business of selling tangible  
32 personal property at retail as a concessionaire or other type  
33 of seller at the Illinois State Fair, county fairs, art shows,  
34 flea markets and similar exhibitions or events, or any  
35 transient merchants, as defined by Section 2 of the Transient  
36 Merchant Act of 1987, may be required to make a daily report of

1 the amount of such sales to the Department and to make a daily  
2 payment of the full amount of tax due. The Department shall  
3 impose this requirement when it finds that there is a  
4 significant risk of loss of revenue to the State at such an  
5 exhibition or event. Such a finding shall be based on evidence  
6 that a substantial number of concessionaires or other sellers  
7 who are not residents of Illinois will be engaging in the  
8 business of selling tangible personal property at retail at the  
9 exhibition or event, or other evidence of a significant risk of  
10 loss of revenue to the State. The Department shall notify  
11 concessionaires and other sellers affected by the imposition of  
12 this requirement. In the absence of notification by the  
13 Department, the concessionaires and other sellers shall file  
14 their returns as otherwise required in this Section.

15 (Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-208,  
16 eff. 8-2-01; 92-484, eff. 8-23-01; 92-492, eff. 1-1-02; 92-600,  
17 eff. 6-28-02; 92-651, eff. 7-11-02; 93-22, eff. 6-20-03; 93-24,  
18 eff. 6-20-03; 93-840, eff. 7-30-04; 93-926, eff. 8-12-04;  
19 93-1057, eff. 12-2-04; revised 12-6-04.)

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.