



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2927

Introduced 1/20/2006, by Sen. Don Harmon

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Lottery Law. Makes various changes to conform with Executive Order No. 9 (2003). Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Makes changes concerning limitation on the use of checking accounts. Amends the State Finance Act. Makes changes concerning amounts in the Department of Revenue petty cash. Amends the Illinois Income Tax Act, the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Increases the time of various statutes of limitation concerning actions under the Acts. In the Illinois Income Tax Act, makes changes concerning withholding amount requirements for annual return authorizations. In the Illinois Income Tax Act and the Retailers' Occupation Tax Act, makes changes concerning the timing of certain notices. Amends the Cigarette Tax Act, the Cigarette Use Tax Act, and the Tobacco Products Act of 1995 concerning the disposition forfeited cigarettes and cigarette vending devices. Amends the Gas Use Tax Law, the Gas Revenue Tax Act, the Telecommunications Excise Tax Act, the Telecommunications Infrastructure Maintenance Fee Act, the Simplified Municipal Telecommunications Tax Act, and the Electricity Excise Tax Law to make changes concerning the requirements for tax returns to be made to the Department of Revenue. Amends Real Estate Transfer Tax Law in the Property Tax Code. Makes changes concerning the payment of the transfer tax. Amends the Illinois Municipal Code. Makes changes concerning notifications regarding business district development or redevelopment plans. Amends the Local Mass Transit District Act. Makes changes concerning tax-rate increases. Deletes provisions concerning fees and authorizing a local replacement vehicle tax. Effective immediately.

LRB094 19047 BDD 54543 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Lottery Law is amended by changing
5 Sections 3, 4, 5, 7.1, 7.6, 7.11, 9, 10, 10.1, 10.1a, 10.2,
6 10.6, 10.7, 12, 13, 14, 14.3, 19, 21, and 24 as follows:

7 (20 ILCS 1605/3) (from Ch. 120, par. 1153)

8 Sec. 3. For the purposes of this Act:

9 a. "Lottery" or "State Lottery" means the lottery or
10 lotteries established and operated pursuant to this Act.

11 b. "Board" means the Lottery Control Board created by this
12 Act.

13 c. "Department" means the Department of Revenue ~~the~~
14 ~~Lottery~~.

15 d. "Director" means the Director of Revenue ~~the Department~~
16 ~~of the Lottery~~.

17 e. "Chairman" means the Chairman of the Lottery Control
18 Board.

19 f. "Multi-state game directors" means such persons,
20 including the Superintendent ~~Director of the Department of the~~
21 ~~Lottery~~, as may be designated by an agreement between the
22 Division ~~Department of the Lottery~~ and one or more additional
23 lotteries operated under the laws of another state or states.

24 g. "Division" means the Division of the State Lottery of
25 the Department of Revenue.

26 h. "Superintendent" means the Superintendent of the
27 Division of the State Lottery of the Department of Revenue.

28 (Source: P.A. 85-183.)

29 (20 ILCS 1605/4) (from Ch. 120, par. 1154)

30 Sec. 4. The Department of the Lottery is established to
31 implement and regulate the State Lottery in the manner provided

1 in this Act.

2 In accordance with Executive Order No. 9 (2003), the
3 Division of the State Lottery is established within the
4 Department of Revenue. Unless otherwise provided by law, the
5 Division of the State Lottery shall be subject to and governed
6 by all of the laws and rules applicable to the Department.

7 (Source: P.A. 84-1128.)

8 (20 ILCS 1605/5) (from Ch. 120, par. 1155)

9 Sec. 5. The Division ~~Department of the Lottery~~ shall be
10 under the supervision and direction of a Superintendent
11 ~~Director of the Lottery~~, who shall be a person qualified by
12 training and experience to perform the duties required by this
13 Act. The Superintendent ~~Director~~ shall be appointed by the
14 Governor, by and with the advice and consent of the Senate. The
15 term of office of the Superintendent ~~Director~~ shall expire on
16 the third Monday of January in odd numbered years provided that
17 he or she shall hold ~~his~~ office until a ~~his~~ successor is
18 appointed and qualified.

19 Any vacancy occurring in the office of the Superintendent
20 ~~Director~~ shall be filled in the same manner as the original
21 appointment.

22 The Superintendent ~~Director~~ shall devote his or her entire
23 time and attention to the duties of the ~~his~~ office and shall
24 not be engaged in any other profession or occupation. The
25 Superintendent ~~He~~ shall receive such salary as shall be
26 provided by law.

27 (Source: P.A. 84-1128.)

28 (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

29 Sec. 7.1. The Department shall promulgate such rules and
30 regulations governing the establishment and operation of a
31 State lottery as it deems necessary to carry out the purposes
32 of this Act. Such rules and regulations shall be subject to the
33 provisions of The Illinois Administrative Procedure Act. The
34 Division shall issue written game rules, play instructions,

1 directives, operations manuals, brochures, or any other
2 publications necessary to conduct specific games, as
3 authorized by rule by the Department. Any written game rules,
4 play instructions, directives, operations manuals, brochures,
5 or other game publications issued by the Division ~~Department~~
6 that relate to a specific lottery game shall be maintained as a
7 public record in the Division's ~~Department's~~ principal office,
8 and made available for public inspection and copying but shall
9 be exempt from the rulemaking procedures of the Illinois
10 Administrative Procedure Act. However, when such written
11 materials contain any policy of general applicability, the
12 Division ~~Department~~ shall formulate and adopt such policy as a
13 rule in accordance with the provisions of the Illinois
14 Administrative Procedure Act. In addition, the Division
15 ~~Department~~ shall publish each January in the Illinois Register
16 a list of all game-specific rules, play instructions,
17 directives, operations manuals, brochures, or other
18 game-specific publications issued by the Division ~~Department~~
19 during the previous year and instructions concerning how the
20 public may obtain copies of these materials from the Division
21 ~~Department~~.

22 (Source: P.A. 86-433.)

23 (20 ILCS 1605/7.6) (from Ch. 120, par. 1157.6)

24 Sec. 7.6. The Board shall advise and make recommendations
25 to the Superintendent or the Director regarding the functions
26 and operations of the State Lottery. A copy of all such
27 recommendations shall also be forwarded to the Governor, the
28 Attorney General, the Speaker of the House, the President of
29 the Senate and the minority leaders of both houses.

30 (Source: P.A. 84-1128.)

31 (20 ILCS 1605/7.11) (from Ch. 120, par. 1157.11)

32 Sec. 7.11. The Division ~~Department~~ may establish and
33 collect nominal charges for promotional products ("premiums")
34 and other promotional materials produced or acquired by the

1 ~~Division Department~~ as part of its advertising and promotion
2 activities. Such premiums or other promotional materials may be
3 sold to individuals, government agencies and not-for-profit
4 organizations, but not to for-profit enterprises for the
5 purpose of resale. Other State agencies shall be charged no
6 more than the cost to the ~~Division Department~~ of the premium or
7 promotional material. All proceeds from the sale of premiums or
8 promotional materials shall be deposited in the State Lottery
9 Fund in the State Treasury.

10 (Source: P.A. 86-1220.)

11 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

12 Sec. 9. The Superintendent ~~Director~~, as administrative
13 head of the ~~Division Department of the Lottery~~, shall direct
14 and supervise all its administrative and technical activities
15 and shall report to the Director. In addition to the duties
16 imposed upon him elsewhere in this Act, it shall be the
17 Superintendent's ~~his~~ duty:

18 a. To supervise and administer the operation of the lottery
19 in accordance with the provisions of this Act or such rules and
20 regulations of the Department adopted thereunder.

21 b. To attend meetings of the Board ~~Department~~ or to appoint
22 a designee to attend in his stead.

23 c. To employ and direct such personnel in accord with the
24 Personnel Code, as may be necessary to carry out the purposes
25 of this Act. The Superintendent may, subject to the approval of
26 the Director, use the services, personnel, or facilities of the
27 Department. In addition, the Superintendent ~~Director~~ may by
28 agreement secure such services as he or she may deem necessary
29 from any other department, agency, or unit of the State
30 government, and may employ and compensate such consultants and
31 technical assistants as may be required and is otherwise
32 permitted by law.

33 d. To license, in accordance with the provisions of
34 Sections 10 and 10.1 of this Act and the rules and regulations
35 of the Department adopted thereunder, as agents to sell lottery

1 tickets such persons as in his opinion will best serve the
2 public convenience and promote the sale of tickets or shares.
3 The Superintendent ~~Director~~ may require a bond from every
4 licensed agent, in such amount as provided in the rules and
5 regulations of the Department. Every licensed agent shall
6 prominently display his license, or a copy thereof, as provided
7 in the rules and regulations of the Department.

8 e. To suspend or revoke any license issued pursuant to this
9 Act or the rules and regulations promulgated by the Department
10 thereunder.

11 f. To confer regularly as necessary or desirable and not
12 less than once every month with the Lottery Control Board on
13 the operation and administration of the Lottery; to make
14 available for inspection by the Board or any member of the
15 Board, upon request, all books, records, files, and other
16 information and documents of his office; to advise the Board
17 and recommend such rules and regulations and such other matters
18 as he deems necessary and advisable to improve the operation
19 and administration of the lottery.

20 g. To enter into contracts for the operation of the
21 lottery, or any part thereof, and into contracts for the
22 promotion of the lottery on behalf of the Department with any
23 person, firm or corporation, to perform any of the functions
24 provided for in this Act or the rules and regulations
25 promulgated thereunder. The Department shall not expend State
26 funds on a contractual basis for such functions unless those
27 functions and expenditures are expressly authorized by the
28 General Assembly.

29 h. To enter into an agreement or agreements with the
30 management of state lotteries operated pursuant to the laws of
31 other states for the purpose of creating and operating a
32 multi-state lottery game wherein a separate and distinct prize
33 pool would be combined to award larger prizes to the public
34 than could be offered by the several state lotteries,
35 individually. No tickets or shares offered in connection with a
36 multi-state lottery game shall be sold within the State of

1 Illinois, except those offered by and through the Department.
2 No such agreement shall purport to pledge the full faith and
3 credit of the State of Illinois, nor shall the Department
4 expend State funds on a contractual basis in connection with
5 any such game unless such expenditures are expressly authorized
6 by the General Assembly, provided, however, that in the event
7 of error or omission by the Illinois State Lottery in the
8 conduct of the game, as determined by the multi-state game
9 directors, the Department shall be authorized to pay a prize
10 winner or winners the lesser of a disputed prize or \$1,000,000,
11 any such payment to be made solely from funds appropriated for
12 game prize purposes. The Department shall be authorized to
13 share in the ordinary operating expenses of any such
14 multi-state lottery game, from funds appropriated by the
15 General Assembly, and in the event the multi-state game control
16 offices are physically located within the State of Illinois,
17 the Department is authorized to advance start-up operating
18 costs not to exceed \$150,000, subject to proportionate
19 reimbursement of such costs by the other participating state
20 lotteries. The Department shall be authorized to share
21 proportionately in the costs of establishing a liability
22 reserve fund from funds appropriated by the General Assembly.
23 The Department is authorized to transfer prize award funds
24 attributable to Illinois sales of multi-state lottery game
25 tickets to the multi-state control office, or its designated
26 depository, for deposit to such game pool account or accounts
27 as may be established by the multi-state game directors, the
28 records of which account or accounts shall be available at all
29 times for inspection in an audit by the Auditor General of
30 Illinois and any other auditors pursuant to the laws of the
31 State of Illinois. No multi-state game prize awarded to a
32 nonresident of Illinois, with respect to a ticket or share
33 purchased in a state other than the State of Illinois, shall be
34 deemed to be a prize awarded under this Act for the purpose of
35 taxation under the Illinois Income Tax Act. All of the net
36 revenues accruing from the sale of multi-state lottery tickets

1 or shares shall be transferred into the Common School Fund
2 pursuant to Section 7.2. The Department shall promulgate such
3 rules as may be appropriate to implement the provisions of this
4 Section.

5 i. To make a continuous study and investigation of (1) the
6 operation and the administration of similar laws which may be
7 in effect in other states or countries, (2) any literature on
8 the subject which from time to time may be published or
9 available, (3) any Federal laws which may affect the operation
10 of the lottery, and (4) the reaction of Illinois citizens to
11 existing and potential features of the lottery with a view to
12 recommending or effecting changes that will tend to serve the
13 purposes of this Act.

14 j. To report monthly to the State Treasurer and the Lottery
15 Control Board a full and complete statement of lottery
16 revenues, prize disbursements and other expenses for each month
17 and the amounts to be transferred to the Common School Fund
18 pursuant to Section 7.2 or such other funds as are otherwise
19 authorized by Section 21.2 of this Act, and to make an annual
20 report, which shall include a full and complete statement of
21 lottery revenues, prize disbursements and other expenses, to
22 the Governor and the Board. All reports required by this
23 subsection shall be public and copies of all such reports shall
24 be sent to the Speaker of the House, the President of the
25 Senate, and the minority leaders of both houses.

26 (Source: P.A. 85-183.)

27 (20 ILCS 1605/10) (from Ch. 120, par. 1160)

28 Sec. 10. The Division ~~Department~~, upon application
29 therefor on forms prescribed by the Division ~~Department~~, and
30 upon a determination by the Division ~~Department~~ that the
31 applicant meets all of the qualifications specified in this
32 Act, shall issue a license as an agent to sell lottery tickets
33 or shares. No license as an agent to sell lottery tickets or
34 shares shall be issued to any person to engage in business
35 exclusively as a lottery sales agent.

1 Before issuing such license the Superintendent ~~Director~~
2 shall consider (a) the financial responsibility and security of
3 the person and his business or activity, (b) the accessibility
4 of his place of business or activity to the public, (c) the
5 sufficiency of existing licenses to serve the public
6 convenience, (d) the volume of expected sales, and (e) such
7 other factors as he or she may deem appropriate.

8 Until September 1, 1987, the provisions of Sections 2a, 4,
9 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9,
10 10, 12 and 13.5 of the Retailers' Occupation Tax Act which are
11 not inconsistent with this Act shall apply to the subject
12 matter of this Act to the same extent as if such provisions
13 were included in this Act. For purposes of this Act, references
14 in such incorporated Sections of the Retailers' Occupation Tax
15 Act to retailers, sellers or persons engaged in the business of
16 selling tangible personal property mean persons engaged in
17 selling lottery tickets or shares; references in such
18 incorporated Sections to sales of tangible personal property
19 mean the selling of lottery tickets or shares; and references
20 in such incorporated Sections to certificates of registration
21 mean licenses issued under this Act. The provisions of the
22 Retailers' Occupation Tax Act as heretofore applied to the
23 subject matter of this Act shall not apply with respect to
24 tickets sold by or delivered to lottery sales agents on and
25 after September 1, 1987, but such provisions shall continue to
26 apply with respect to transactions involving the sale and
27 delivery of tickets prior to September 1, 1987.

28 All licenses issued by the Division ~~Department~~ under this
29 Act shall be valid for a period not to exceed 2 years after
30 issuance unless sooner revoked, canceled or suspended as in
31 this Act provided. No license issued under this Act shall be
32 transferable or assignable. Such license shall be
33 conspicuously displayed in the place of business conducted by
34 the licensee in Illinois where lottery tickets or shares are to
35 be sold under such license.

36 For purposes of this Section, the term "person" shall be

1 construed to mean and include an individual, association,
2 partnership, corporation, club, trust, estate, society,
3 company, joint stock company, receiver, trustee, referee, any
4 other person acting in a fiduciary or representative capacity
5 who is appointed by a court, or any combination of individuals.
6 "Person" includes any department, commission, agency or
7 instrumentality of the State, including any county, city,
8 village, or township and any agency or instrumentality thereof.
9 (Source: P.A. 86-1475; 87-895.)

10 (20 ILCS 1605/10.1) (from Ch. 120, par. 1160.1)

11 Sec. 10.1. The following are ineligible for any license
12 under this Act:

13 (a) any person who has been convicted of a felony;

14 (b) any person who is or has been a professional gambler or
15 gambling promoter;

16 (c) any person who has engaged in bookmaking or other forms
17 of illegal gambling;

18 (d) any person who is not of good character and reputation
19 in the community in which he resides;

20 (e) any person who has been found guilty of any fraud or
21 misrepresentation in any connection;

22 (f) any firm or corporation in which a person defined in
23 (a), (b), (c), (d) or (e) has a proprietary, equitable or
24 credit interest of 5% or more.

25 (g) any organization in which a person defined in (a), (b),
26 (c), (d) or (e) is an officer, director, or managing agent,
27 whether compensated or not;

28 (h) any organization in which a person defined in (a), (b),
29 (c), (d), or (e) is to participate in the management or sales
30 of lottery tickets or shares.

31 However, with respect to persons defined in (a), the
32 Department may grant any such person a license under this Act
33 when:

34 1) at least 10 years have elapsed since the date when the
35 sentence for the most recent such conviction was satisfactorily

1 completed;

2 2) the applicant has no history of criminal activity
3 subsequent to such conviction;

4 3) the applicant has complied with all conditions of
5 probation, conditional discharge, supervision, parole or
6 mandatory supervised release; and

7 4) the applicant presents at least 3 letters of
8 recommendation from responsible citizens in his community who
9 personally can attest that the character and attitude of the
10 applicant indicate that he is unlikely to commit another crime.

11 The Division ~~Department~~ may revoke, without notice or a
12 hearing, the license of any agent who violates this Act or any
13 rule or regulation promulgated pursuant to this Act. However,
14 if the Division ~~Department~~ does revoke a license without notice
15 and an opportunity for a hearing, the Division ~~Department~~
16 shall, by appropriate notice, afford the person whose license
17 has been revoked an opportunity for a hearing within 30 days
18 after the revocation order has been issued. As a result of any
19 such hearing, the Division ~~Department~~ may confirm its action in
20 revoking the license, or it may order the restoration of such
21 license.

22 (Source: P.A. 82-404.)

23 (20 ILCS 1605/10.1a) (from Ch. 120, par. 1160.1a)

24 Sec. 10.1a. In addition to other grounds specified in this
25 Act, the Division ~~Department~~ shall refuse to issue and shall
26 suspend the license of any lottery sales agency who fails to
27 file a return, or to pay the tax, penalty or interest shown in
28 a filed return, or to pay any final assessment of tax, penalty
29 or interest, as required by any tax Act administered by the
30 ~~Illinois~~ Department ~~of Revenue~~, until such time as the
31 requirements of any such tax Act are satisfied, unless the
32 agency is contesting, in accordance with the procedures
33 established by the appropriate revenue Act, its liability for
34 the tax or the amount of tax. The Division ~~Department~~ shall
35 affirmatively verify the tax status of every sales agency

1 before issuing or renewing a license. For purposes of this
2 Section, a sales agency shall not be considered delinquent in
3 the payment of a tax if the agency (a) has entered into an
4 agreement with the Department ~~of Revenue~~ for the payment of all
5 such taxes that are due and (b) is in compliance with the
6 agreement.

7 (Source: P.A. 87-341.)

8 (20 ILCS 1605/10.2) (from Ch. 120, par. 1160.2)

9 Sec. 10.2. Application and other fees. Each application
10 for a new lottery license must be accompanied by a one-time
11 application fee of \$50; the Division ~~Department~~, however, may
12 waive the fee for licenses of limited duration as provided by
13 Department rule. Each application for renewal of a lottery
14 license must be accompanied by a renewal fee of \$25. Each
15 lottery licensee granted on-line status pursuant to the
16 Department's rules must pay a fee of \$10 per week as partial
17 reimbursement for telecommunications charges incurred by the
18 Department in providing access to the lottery's on-line gaming
19 system. The Department, by rule, may increase or decrease the
20 amount of these fees.

21 (Source: P.A. 93-840, eff. 7-30-04.)

22 (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

23 Sec. 10.6. The Division ~~Department~~ shall make an effort to
24 more directly inform players of the odds of winning prizes.
25 This effort shall include, at a minimum, that the Division
26 ~~Department~~ require all ticket agents to display a placard
27 stating the odds of winning for each game offered by that
28 agent.

29 (Source: P.A. 85-183.)

30 (20 ILCS 1605/10.7)

31 Sec. 10.7. Compulsive gambling.

32 (a) Each lottery sales agent shall post a statement
33 regarding obtaining assistance with gambling problems and

1 including a toll-free "800" telephone number providing crisis
2 counseling and referral services to families experiencing
3 difficulty as a result of problem or compulsive gambling. The
4 text of the statement shall be determined by rule by the
5 Department of Human Services, shall be no more than one
6 sentence in length, and shall be posted on the placard required
7 under Section 10.6. The signs shall be provided by the
8 Department of Human Services.

9 (b) The Division ~~Department~~ shall print a statement
10 regarding obtaining assistance with gambling problems, the
11 text of which shall be determined by rule by the Department of
12 Human Services, on all paper stock it provides to the general
13 public.

14 (c) The Division ~~Department~~ shall print a statement of no
15 more than one sentence in length regarding obtaining assistance
16 with gambling problems and including a toll-free "800" number
17 providing crisis counseling and referral services to families
18 experiencing difficulty as a result of problem or compulsive
19 gambling on the back of all lottery tickets.

20 (Source: P.A. 89-374, eff. 1-1-96; 89-507, eff. 7-1-97.)

21 (20 ILCS 1605/12) (from Ch. 120, par. 1162)

22 Sec. 12. The public inspection and copying of the records
23 and data of the Division ~~Department~~ and the Board shall be
24 generally governed by the provisions of the Freedom of
25 Information Act except that the following shall additionally be
26 exempt from inspection and copying:

27 (i) information privileged against introduction in
28 judicial proceedings;

29 (ii) internal communications of the several agencies;

30 (iii) information concerning secret manufacturing
31 processes or confidential data submitted by any person under
32 this Act;

33 (iv) any creative proposals, scripts, storyboards or other
34 materials prepared by or for the Division ~~Department~~, prior to
35 the placement of the materials in the media, if the prior

1 release of the materials would compromise the effectiveness of
2 an advertising campaign.

3 (Source: P.A. 88-522.)

4 (20 ILCS 1605/13) (from Ch. 120, par. 1163)

5 Sec. 13. Except as otherwise provided in Section 13.1, no
6 prize, nor any portion of a prize, nor any right of any person
7 to a prize awarded shall be assignable. Any prize, or portion
8 thereof remaining unpaid at the death of a prize winner, may be
9 paid to the estate of such deceased prize winner, or to the
10 trustee under a revocable living trust established by the
11 deceased prize winner as settlor, provided that a copy of such
12 a trust has been filed with the Department along with a
13 notarized letter of direction from the settlor and no written
14 notice of revocation has been received by the Division
15 ~~Department~~ prior to the settlor's death. Following such a
16 settlor's death and prior to any payment to such a successor
17 trustee, the Superintendent ~~Director~~ shall obtain from the
18 trustee ~~and each trust beneficiary~~ a written agreement to
19 indemnify and hold the Department and the Division harmless
20 with respect to any claims that may be asserted against the
21 Department or the Division arising from payment to or through
22 the trust. Notwithstanding any other provision of this Section,
23 any person pursuant to an appropriate judicial order may be
24 paid the prize to which a winner is entitled, and all or part
25 of any prize otherwise payable by State warrant under this
26 Section shall be withheld upon certification to the State
27 Comptroller from the ~~Illinois~~ Department of Healthcare and
28 Family Services ~~Public Aid~~ as provided in Section 10-17.5 of
29 The Illinois Public Aid Code. The Director and the
30 Superintendent shall be discharged of all further liability
31 upon payment of a prize pursuant to this Section.

32 (Source: P.A. 93-465, eff. 1-1-04; revised 12-15-05.)

33 (20 ILCS 1605/14) (from Ch. 120, par. 1164)

34 Sec. 14. No person shall sell a ticket or share at a price

1 greater than that fixed by rule or regulation of the Department
2 or the Division. No person other than a licensed lottery sales
3 agent or distributor shall sell or resell lottery tickets or
4 shares. No person shall charge a fee to redeem a winning ticket
5 or share.

6 Any person convicted of violating this Section shall be
7 guilty of a Class B misdemeanor; provided, that if any offense
8 under this Section is a subsequent offense, the offender shall
9 be guilty of a Class 4 felony.

10 (Source: P.A. 87-1271.)

11 (20 ILCS 1605/14.3)

12 Sec. 14.3. Misuse of proprietary material prohibited.
13 Except as may be provided in Section 7.11, or by bona fide sale
14 or by prior authorization from the Department or the Division,
15 or otherwise by law, all premiums, promotional and other
16 proprietary material produced or acquired by the Division
17 ~~Department~~ as part of its advertising and promotional
18 activities shall remain the property of the Department. Nothing
19 herein shall be construed to affect the rights or obligations
20 of the Department or any other person under federal or State
21 trademark or copyright laws.

22 (Source: P.A. 88-522.)

23 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

24 Sec. 19. The Division ~~Department~~ shall establish an
25 appropriate period for the claiming of prizes for each lottery
26 game offered. Each claim period shall be stated in game rules
27 and written play instructions issued by the Superintendent
28 ~~Director~~ in accordance with Section 7.1 of this Act. Written
29 play instructions shall be made available to all players
30 through sales agents licensed to sell game tickets or shares.
31 Prizes for lottery games which involve the purchase of a
32 physical lottery ticket may be claimed only by presentation of
33 a valid winning lottery ticket that matches validation records
34 on file with the Lottery; no claim may be honored which is

1 based on the assertion that the ticket was lost or stolen. No
2 lottery ticket which has been altered, mutilated, or fails to
3 pass validation tests shall be deemed to be a winning ticket.

4 If no claim is made for the money within the established
5 claim period, the prize may be included in the prize pool of
6 such special drawing or drawings as the Division ~~Department~~
7 may, from time to time, designate. Unclaimed multi-state game
8 prize money may be included in the multi-state prize pool for
9 such special drawing or drawings as the multi-state game
10 directors may, from time to time, designate. Any bonuses
11 offered by the Department to sales agents who sell winning
12 tickets or shares shall be payable to such agents regardless of
13 whether or not the prize money on the ticket or share is
14 claimed, provided that the agent can be identified as the
15 vendor of the winning ticket or share, and that the winning
16 ticket or share was sold on or after January 1, 1984. All
17 unclaimed prize money not included in the prize pool of a
18 special drawing shall be transferred to the Common School Fund.
19 (Source: P.A. 90-724, eff. 1-1-99.)

20 (20 ILCS 1605/21) (from Ch. 120, par. 1171)

21 Sec. 21. All lottery sales agents or distributors shall be
22 liable to the Lottery for any and all tickets accepted or
23 generated by any employee or representative of that agent or
24 distributor, and such tickets shall be deemed to have been
25 purchased by the agent or distributor unless returned to the
26 Lottery within the time and in the manner prescribed by the
27 Superintendent ~~Director~~. All moneys received by such agents or
28 distributors from the sale of lottery tickets or shares, less
29 the amount retained as compensation for the sale of the tickets
30 or shares and the amount paid out as prizes, shall be paid over
31 to a lottery representative or deposited in a bank or savings
32 and loan association approved by the State Treasurer, as
33 prescribed by the Superintendent ~~Director~~.

34 No bank or savings and loan association shall receive
35 public funds as permitted by this Section, unless it has

1 complied with the requirements established pursuant to Section
2 6 of the Public Funds Investment Act.

3 Each payment or deposit shall be accompanied by a report of
4 the agent's receipts and transactions in the sale of lottery
5 tickets in such form and containing such information as the
6 Superintendent ~~Director~~ may require. Any discrepancies in such
7 receipts and transactions may be resolved as provided by the
8 rules and regulations of the Department.

9 If any money due the Lottery by a sales agent or
10 distributor is not paid when due or demanded, it shall
11 immediately become delinquent and be billed on a subsequent
12 monthly statement. If on the closing date for any monthly
13 statement a delinquent amount previously billed of more than
14 \$50 remains unpaid, interest in such amount shall be accrued at
15 the rate of 2% per month or fraction thereof from the date when
16 such delinquent amount becomes past due until such delinquent
17 amount, including interest, penalty and other costs and charges
18 that the Department may incur in collecting such amounts, is
19 paid. In case any agent or distributor fails to pay any moneys
20 due the Lottery within 30 days after a second bill or statement
21 is rendered to the agent or distributor, such amount shall be
22 deemed seriously delinquent and may be referred by the
23 Department to a collection agency or credit bureau for
24 collection. Any contract entered into by the Department for the
25 collection of seriously delinquent accounts with a collection
26 agency or credit bureau may be satisfied by a commercially
27 reasonable percentage of the delinquent account recouped,
28 which shall be negotiated by the Department in accordance with
29 commercially accepted standards. Any costs incurred by the
30 Department or others authorized to act in its behalf in
31 collecting such delinquencies may be assessed against the agent
32 or distributor and included as a part of the delinquent
33 account.

34 In case of failure of an agent or distributor to pay a
35 seriously delinquent amount, or any portion thereof, including
36 interest, penalty and costs, the Division ~~Department~~ may issue

1 a Notice of Assessment. In determining amounts shown on the
2 Notice of Assessment, the Division ~~Department~~ shall utilize the
3 financial information available from its records. Such Notice
4 of Assessment shall be prima facie correct and shall be prima
5 facie evidence of delinquent sums due under this Section at any
6 hearing before the Board, or its Hearing Officers, or at any
7 other legal proceeding. Reproduced copies of the Division's
8 ~~Department's~~ records relating to a delinquent account or a
9 Notice of Assessment offered in the name of the Department,
10 under the Certificate of the Director or any officer or
11 employee of the Department designated in writing by the
12 Director shall, without further proof, be admitted into
13 evidence in any such hearing or any legal proceeding and shall
14 be prima facie proof of the delinquency, including principal
15 and any interest, penalties and costs, as shown thereon. The
16 Attorney General may bring suit on behalf of the Department to
17 collect all such delinquent amounts, or any portion thereof,
18 including interest, penalty and costs, due the Lottery.

19 Any person who accepts money that is due to the Department
20 from the sale of lottery tickets under this Act, but who
21 wilfully fails to remit such payment to the Department when due
22 or who purports to make such payment but wilfully fails to do
23 so because his check or other remittance fails to clear the
24 bank or savings and loan association against which it is drawn,
25 in addition to the amount due and in addition to any other
26 penalty provided by law, shall be assessed, and shall pay, a
27 penalty equal to 5% of the deficiency plus any costs or charges
28 incurred by the Department in collecting such amount.

29 The Director may make such arrangements for any person(s),
30 banks, savings and loan associations or distributors, to
31 perform such functions, activities or services in connection
32 with the operation of the lottery as he deems advisable
33 pursuant to this Act, the State Comptroller Act, or the rules
34 and regulations of the Department, and such functions,
35 activities or services shall constitute lawful functions,
36 activities and services of such person(s), banks, savings and

1 loan associations or distributors.

2 All income arising out of any activity or purpose of the
3 Division ~~Department~~ shall, pursuant to the State Finance Act,
4 be paid into the State Treasury except as otherwise provided by
5 the rules and regulations of the Department and shall be
6 covered into a special fund to be known as the State Lottery
7 Fund. Banks and savings and loan associations may be
8 compensated for services rendered based upon the activity and
9 amount of funds on deposit.

10 (Source: P.A. 91-357, eff. 7-29-99.)

11 (20 ILCS 1605/24) (from Ch. 120, par. 1174)

12 Sec. 24. The State Comptroller shall conduct a preaudit of
13 all accounts and transactions of the Department in connection
14 with the operation of the State Lottery under the State
15 Comptroller Act, excluding payments issued by the Department
16 for prizes of \$25,000 or less.

17 The Auditor General or a certified public accountant firm
18 appointed by him shall conduct an annual post-audit of all
19 accounts and transactions of the Department in connection with
20 the operation of the State Lottery and other special post
21 audits as the Auditor General, the Legislative Audit
22 Commission, or the General Assembly deems necessary. The annual
23 post-audits shall include payments made by lottery sales agents
24 of prizes of less than \$600 authorized under Section 20, and
25 payments made by the Department of prizes up to \$25,000
26 authorized under Section 20.1. The Auditor General or his agent
27 conducting an audit under this Act shall have access and
28 authority to examine any and all records of the Department or
29 the Board, its distributing agents and its licensees.

30 (Source: P.A. 91-357, eff. 7-29-99.)

31 Section 10. The Department of Revenue Law of the Civil
32 Administrative Code of Illinois is amended by changing Section
33 2505-310 as follows:

1 (20 ILCS 2505/2505-310) (was 20 ILCS 2505/39b15.2)

2 Sec. 2505-310. Obtaining evidence. The Department has the
3 power to expend sums that the Director deems necessary from
4 contractual services appropriations for the purchase of
5 evidence and for the employment of persons to obtain evidence.
6 The sums shall be advanced to investigators authorized by the
7 Director to expend funds, on vouchers signed by the Director.

8 In addition, the Director is authorized to maintain one or
9 more commercial checking accounts with any State banking
10 corporation or corporations organized under or subject to the
11 Illinois Banking Act for the deposit and withdrawal of moneys
12 to be used solely for the purchase of evidence and for the
13 employment of persons to obtain evidence. No check may be
14 written on nor any withdrawal made from such an account except
15 on the written signature of 2 persons designated by the
16 Director to write those checks and make those withdrawals. The
17 balance of moneys on deposit in any such account shall not
18 exceed \$50,000 ~~\$5,000~~ at any time, nor shall any one check
19 written on or single withdrawal made from any such account
20 exceed \$50,000 ~~\$5,000~~.

21 (Source: P.A. 91-239, eff. 1-1-00.)

22 Section 15. The State Finance Act is amended by changing
23 Section 13.3 as follows:

24 (30 ILCS 105/13.3) (from Ch. 127, par. 149.3)

25 Sec. 13.3. Petty cash funds; purchasing cards.

26 (a) Any State agency may establish and maintain petty cash
27 funds for the purpose of making change, purchasing items of
28 small cost, payment of postage due, and for other nominal
29 expenditures which cannot be administered economically and
30 efficiently through customary procurement practices.

31 Petty cash funds may be established and maintained from
32 moneys which are appropriated to the agency for Contractual
33 Services. In the case of an agency which receives a single
34 appropriation for its ordinary and contingent expenses, the

1 agency may establish a petty cash fund from the appropriated
2 funds.

3 Before the establishment of any petty cash fund, the agency
4 shall submit to the State Comptroller a survey of the need for
5 the fund. The survey shall also establish that sufficient
6 internal accounting controls exist. The Comptroller shall
7 investigate such need and if he determines that it exists and
8 that adequate accounting controls exist, shall approve the
9 establishment of the fund. The Comptroller shall have the power
10 to revoke any approval previously made under this Section.

11 Petty cash funds established under this Section shall be
12 operated and maintained on the imprest system and no fund shall
13 exceed \$1,000, except that the Secretary of State may maintain
14 a fund of not exceeding \$2,000 for each Chicago Motor Vehicle
15 Facility, each Springfield Public Service Facility, and the
16 Motor Vehicle Facilities in Champaign, Decatur, Marion,
17 Naperville, Peoria, Rockford, Granite City, Quincy, and
18 Carbondale, to be used solely for the purpose of making change.
19 Except for purchases made by procurement card as provided in
20 subsection (b) of this Section, single transactions shall be
21 limited to amounts less than \$50, and all transactions
22 occurring in the fund shall be reported and accounted for as
23 may be provided in the uniform accounting system developed by
24 the State Comptroller and the rules and regulations
25 implementing that accounting system. All amounts in any such
26 fund of less than \$1,000 but over \$100 shall be kept in a
27 checking account in a bank, or savings and loan association or
28 trust company which is insured by the United States government
29 or any agency of the United States government, except that in
30 funds maintained in each Department of Revenue Facility,
31 Chicago Motor Vehicle Facilities, each Springfield Public
32 Service Facility, and the Motor Vehicle Facilities in
33 Champaign, Decatur, Marion, Naperville, Peoria, Rockford,
34 Granite City, Quincy, and Carbondale, all amounts in the fund
35 may be retained on the premises of such facilities.

36 No bank or savings and loan association shall receive

1 public funds as permitted by this Section, unless it has
2 complied with the requirements established pursuant to Section
3 6 of "An Act relating to certain investments of public funds by
4 public agencies", approved July 23, 1943, as now or hereafter
5 amended.

6 An internal audit shall be performed of any petty cash fund
7 which receives reimbursements of more than \$5,000 in a fiscal
8 year.

9 Upon succession in the custodianship of any petty cash
10 fund, both the former and successor custodians shall sign a
11 statement, in triplicate, showing the exact status of the fund
12 at the time of the transfer. The original copy shall be kept on
13 file in the office wherein the fund exists, and each signer
14 shall be entitled to retain one copy.

15 (b) The Comptroller may provide by rule for the use of
16 purchasing cards by State agencies to pay for purchases that
17 otherwise may be paid out of the agency's petty cash fund. Any
18 rule adopted hereunder shall impose a single transaction limit,
19 which shall not be greater than \$500.

20 The rules of the Comptroller may include but shall not be
21 limited to:

22 (1) standards for the issuance of purchasing cards to
23 State agencies based upon the best interests of the State;

24 (2) procedures for recording purchasing card
25 transactions within the State accounting system, which may
26 provide for summary reporting;

27 (3) procedures for auditing purchasing card
28 transactions on a post-payment basis;

29 (4) standards for awarding contracts with a purchasing
30 card vendor to acquire purchasing cards for use by State
31 agencies; and

32 (5) procedures for the Comptroller to charge against
33 State agency appropriations for payment of purchasing card
34 expenditures without the use of the voucher and warrant
35 system.

36 (c) As used in this Section, "State agency" means any

1 department, officer, authority, public corporation,
2 quasi-public corporation, commission, board, institution,
3 State college or university, or other public agency created by
4 the State, other than units of local government and school
5 districts.

6 (Source: P.A. 90-33, eff. 6-27-97; 91-704, eff. 7-1-00.)

7 Section 20. The Illinois Income Tax Act is amended by
8 changing Sections 704, 902, 1301, and 1302 as follows:

9 (35 ILCS 5/704) (from Ch. 120, par. 7-704)

10 Sec. 704. Employer's Return and Payment of Tax Withheld.

11 (a) In general, every employer who deducts and withholds or
12 is required to deduct and withhold tax under this Act shall
13 make such payments and returns as hereinafter provided.

14 (b) Quarter Monthly Payments: Returns. Every employer who
15 deducts and withholds or is required to deduct and withhold tax
16 under this Act shall, on or before the third banking day
17 following the close of a quarter monthly period, pay to the
18 Department or to a depository designated by the Department,
19 pursuant to regulations prescribed by the Department, the taxes
20 so required to be deducted and withheld, whenever the aggregate
21 amount withheld by such employer (together with amounts
22 previously withheld and not paid to the Department) exceeds
23 \$1,000. For purposes of this Section, Saturdays, Sundays, legal
24 holidays and local bank holidays are not banking days. A
25 quarter monthly period, for purposes of this subsection, ends
26 on the 7th, 15th, 22nd and last day of each calendar month.
27 Every such employer shall for each calendar quarter, on or
28 before the last day of the first month following the close of
29 such quarter, and for the calendar year, on or before January
30 31 of the succeeding calendar year, make a return with respect
31 to such taxes in such form and manner as the Department may by
32 regulations prescribe, and pay to the Department or to a
33 depository designated by the Department all withheld taxes not
34 previously paid to the Department.

1 (c) Monthly Payments: Returns. Every employer required to
2 deduct and withhold tax under this Act shall, on or before the
3 15th day of the second and third months of each calendar
4 quarter, and on or before the last day of the month following
5 the last month of each such quarter, pay to the Department or
6 to a depository designated by the Department, pursuant to
7 regulations prescribed by the Department, the taxes so required
8 to be deducted and withheld, whenever the aggregate amount
9 withheld by such employer (together with amounts previously
10 withheld and not paid to the Department) exceeds \$500 but does
11 not exceed \$1,000. Every such employer shall for each calendar
12 quarter, on or before the last day of the first month following
13 the close of such quarter, and for the calendar year, on or
14 before January 31 of the succeeding calendar year, make a
15 return with respect to such taxes in such form and manner as
16 the Department may by regulations prescribe, and pay to the
17 Department or to a depository designated by the Department all
18 withheld taxes not previously paid to the Department.

19 (d) Annual Payments: Returns. Where the amount of
20 compensation paid by an employer is not sufficient to require
21 the withholding of tax from the compensation of any of its
22 employees (or where the aggregate amount withheld is less than
23 \$1,000 ~~\$500~~), the Department may by regulation permit such
24 employer to file only an annual return and to pay the taxes
25 required to be deducted and withheld at the time of filing such
26 annual return.

27 (e) Annual Return. The Department may, as it deems
28 appropriate, prescribe by regulation for the filing of annual
29 returns in lieu of quarterly returns described in subsections
30 (b) and (c).

31 (e-5) Annual Return and Payment. On and after January 1,
32 1998, notwithstanding subsections (b) through (d) of this
33 Section, every employer who deducts and withholds or is
34 required to deduct and withhold tax from a person engaged in
35 domestic service employment, as that term is defined in Section
36 3510 of the Internal Revenue Code, may comply with the

1 requirements of this Section by filing an annual return and
2 paying the taxes required to be deducted and withheld on or
3 before the 15th day of the fourth month following the close of
4 the employer's taxable year. The annual return may be submitted
5 with the employer's individual income tax return.

6 (f) Magnetic Media Filing. Forms W-2 that, pursuant to the
7 Internal Revenue Code and regulations promulgated thereunder,
8 are required to be submitted to the Internal Revenue Service on
9 magnetic media, must also be submitted to the Department on
10 magnetic media for Illinois purposes, if required by the
11 Department.

12 (Source: P.A. 90-374, eff. 8-14-97; 90-562, eff. 12-16-97.)

13 (35 ILCS 5/902) (from Ch. 120, par. 9-902)

14 Sec. 902. Notice and Demand.

15 (a) In general. Except as provided in subsection (b) the
16 Director shall, as soon as practicable after an amount payable
17 under this Act is deemed assessed (as provided in Section 903),
18 give notice to each person liable for any unpaid portion of
19 such assessment, stating the amount unpaid and demanding
20 payment thereof. In the case of tax deemed assessed with the
21 filing of a return, the Director shall give notice no later
22 than 3 years after the date the return was filed. Upon receipt
23 of any notice and demand there shall be paid at the place and
24 time stated in such notice the amount stated in such notice.
25 Such notice shall be left at the dwelling or usual place of
26 business of such person or shall be sent by mail to the
27 person's last known address.

28 (b) Judicial review. In the case of a deficiency deemed
29 assessed under Section 903 (a) (2) after the filing of a
30 protest, notice and demand shall not be made with respect to
31 such assessment until all proceedings in court for the review
32 of such assessment have terminated or the time for the taking
33 thereof has expired without such proceedings being instituted.

34 (c) Action for recovery of taxes. At any time that the
35 Department might commence proceedings for a levy under Section

1 1109, regardless of whether a notice of lien was filed under
2 the provisions of Section 1103, it may bring an action in any
3 court of competent jurisdiction within or without this State in
4 the name of the people of this State to recover the amount of
5 any taxes, penalties and interest due and unpaid under this
6 Act. In such action, the certificate of the Department showing
7 the amount of the delinquency shall be prima facie evidence of
8 the correctness of such amount, its assessment and of the
9 compliance by the Department with all the provisions of this
10 Act.

11 (d) Sales or transfers outside the usual course of
12 business-Report-Payment of Tax - Rights and duties of purchaser
13 or transferee - penalty. If any taxpayer, outside the usual
14 course of his business, sells or transfers the major part of
15 any one or more of (A) the stock of goods which he is engaged in
16 the business of selling, or (B) the furniture or fixtures, or
17 (C) the machinery and equipment, or (D) the real property, of
18 any business that is subject to the provisions of this Act, the
19 purchaser or transferee of such assets shall, no later than 10
20 business days after the sale or transfer, file a notice of sale
21 or transfer of business assets with the Chicago office of the
22 Department disclosing the name and address of the seller or
23 transferor, the name and address of the purchaser or
24 transferee, the date of the sale or transfer, a copy of the
25 sales contract and financing agreements which shall include a
26 description of the property sold or transferred, the amount of
27 the purchase price or a statement of other consideration for
28 the sale or transfer, and the terms for payment of the purchase
29 price, and such other information as the Department may
30 reasonably require. If the purchaser or transferee fails to
31 file the above described notice of sale with the Department
32 within the prescribed time, the purchaser or transferee shall
33 be personally liable to the Department for the amount owed
34 hereunder by the seller or transferor but unpaid, up to the
35 amount of the reasonable value of the property acquired by the
36 purchaser or transferee. The purchaser or transferee shall pay

1 the Department the amount of tax, penalties, and interest owed
2 by the seller or transferor under this Act, to the extent they
3 have not been paid by the seller or transferor. The seller or
4 transferor, or the purchaser or transferee, at least 10
5 business days before the date of the sale or transfer, may
6 notify the Department of the intended sale or transfer and
7 request the Department to make a determination as to whether
8 the seller or transferor owes any tax, penalty or interest due
9 under this Act. The Department shall take such steps as may be
10 appropriate to comply with such request.

11 Any order issued by the Department pursuant to this Section
12 to withhold from the purchase price shall be issued within 10
13 business days after the Department receives notification of a
14 sale as provided in this Section. The purchaser or transferee
15 shall withhold such portion of the purchase price as may be
16 directed by the Department, but not to exceed a minimum amount
17 varying by type of business, as determined by the Department
18 pursuant to regulations, plus twice the outstanding unpaid
19 liabilities and twice the average liability of preceding
20 filings times the number of unfiled returns which were not
21 filed when due, to cover the amount of all tax, penalty, and
22 interest due and unpaid by the seller or transferor under this
23 Act or, if the payment of money or property is not involved,
24 shall withhold the performance of the condition that
25 constitutes the consideration for the sale or transfer. Within
26 60 business days after issuance of the initial order to
27 withhold, the Department shall provide written notice to the
28 purchaser or transferee of the actual amount of all taxes,
29 penalties and interest then due and whether or not additional
30 amounts may become due as a result of unpaid taxes required to
31 be withheld by an employer, returns which were not filed when
32 due, pending assessments and audits not completed. The
33 purchaser or transferee shall continue to withhold the amount
34 directed to be withheld by the initial order or such lesser
35 amount as is specified by the final withholding order or to
36 withhold the performance of the condition which constitutes the

1 consideration for the sale or transfer until the purchaser or
2 transferee receives from the Department a certificate showing
3 that no unpaid tax, penalty or interest is due from the seller
4 or transferor under this Act.

5 The purchaser or transferee is relieved of any duty to
6 continue to withhold from the purchase price and of any
7 liability for tax, penalty, or interest due hereunder from the
8 seller or transferor if the Department fails to notify the
9 purchaser or transferee in the manner provided herein of the
10 amount to be withheld within 10 business days after the sale or
11 transfer has been reported to the Department or within 60
12 business days after issuance of the initial order to withhold,
13 as the case may be. The Department shall have the right to
14 determine amounts claimed on an estimated basis to allow for
15 periods for which returns were not filed when due, pending
16 assessments and audits not completed, however the purchaser or
17 transferee shall be personally liable only for the actual
18 amount due when determined.

19 If the seller or transferor has failed to pay the tax,
20 penalty, and interest due from him hereunder and the Department
21 makes timely claim therefor against the purchaser or transferee
22 as hereinabove provided, then the purchaser or transferee shall
23 pay to the Department the amount so withheld from the purchase
24 price. If the purchaser or transferee fails to comply with the
25 requirements of this Section, the purchaser or transferee shall
26 be personally liable to the Department for the amount owed
27 hereunder by the seller or transferor up to the amount of the
28 reasonable value of the property acquired by the purchaser or
29 transferee.

30 Any person who shall acquire any property or rights thereto
31 which, at the time of such acquisition, is subject to a valid
32 lien in favor of the Department, shall be personally liable to
33 the Department for a sum equal to the amount of taxes,
34 penalties and interests, secured by such lien, but not to
35 exceed the reasonable value of such property acquired by him.

36 (Source: P.A. 86-923; 86-953.)

1 (35 ILCS 5/1301) (from Ch. 120, par. 13-1301)

2 Sec. 1301. Willful and Fraudulent Acts. Any person who is
3 subject to the provisions of this Act and who willfully fails
4 to file a return, or who files a fraudulent return, or who
5 willfully attempts in any other manner to evade or defeat any
6 tax imposed by this Act or the payment thereof, or any
7 accountant or other agent who knowingly enters false
8 information on the return of any taxpayer under this Act,
9 shall, in addition to other penalties, be guilty of a Class 4
10 felony for the first offense and a Class 3 felony for each
11 subsequent offense. Any person who is subject to this Act and
12 who willfully violates any rule or regulation of the Department
13 for the administration and enforcement of this Act or who fails
14 to keep books and records as required in this Act is, in
15 addition to other penalties, guilty of a Class A misdemeanor.
16 Any person whose commercial domicile or whose residence is in
17 this State and who is charged with a violation under this
18 Section shall be tried in the county where his commercial
19 domicile or his residence is located unless he asserts a right
20 to be tried in another venue. A prosecution for any act in
21 violation of this Section may be commenced at any time within 6
22 ~~5~~ years of the commission of that act.

23 (Source: P.A. 88-480; 88-669, eff. 11-29-94.)

24 (35 ILCS 5/1302) (from Ch. 120, par. 13-1302)

25 Sec. 1302. Willful Failure to Pay Over. Any person who
26 accepts money that is due to the Department under this Act from
27 a taxpayer for the purpose of acting as the taxpayer's agent to
28 make the payment to the Department, but who willfully fails to
29 remit such payment to the Department when due, shall be guilty
30 of a Class A misdemeanor. Any such person who purports to make
31 such payment by issuing or delivering a check or other order
32 upon a real or fictitious depository for the payment of money,
33 knowing that it will not be paid by the depository, shall be
34 guilty of a deceptive practice in violation of Section 17-1 of

1 the Criminal Code of 1961, as amended. Any person whose
2 commercial domicile or whose residence is in this State and who
3 is charged with a violation under this Section shall be tried
4 in the county where his commercial domicile or his residence is
5 located unless he asserts a right to be tried in another venue.
6 A prosecution for any act in violation of this Section may be
7 commenced at any time within 6 ~~5~~ years of the commission of
8 that act.

9 (Source: P.A. 84-221.)

10 Section 25. The Use Tax Act is amended by changing Section
11 14 as follows:

12 (35 ILCS 105/14) (from Ch. 120, par. 439.14)

13 Sec. 14. When the amount due is under \$300, any person
14 subject to the provisions hereof who fails to file a return, or
15 who violates any other provision of Section 9 or Section 10
16 hereof, or who fails to keep books and records as required
17 herein, or who files a fraudulent return, or who wilfully
18 violates any rule or regulation of the Department for the
19 administration and enforcement of the provisions hereof, or any
20 officer or agent of a corporation or manager, member, or agent
21 of a limited liability company subject hereto who signs a
22 fraudulent return filed on behalf of such corporation or
23 limited liability company, or any accountant or other agent who
24 knowingly enters false information on the return of any
25 taxpayer under this Act, or any person who violates any of the
26 provisions of Sections 3, 5 or 7 hereof, or any purchaser who
27 obtains a registration number or resale number from the
28 Department through misrepresentation, or who represents to a
29 seller that such purchaser has a registration number or a
30 resale number from the Department when he knows that he does
31 not, or who uses his registration number or resale number to
32 make a seller believe that he is buying tangible personal
33 property for resale when such purchaser in fact knows that this
34 is not the case, is guilty of a Class 4 felony.

1 Any person who violates any provision of Section 6 hereof,
2 or who engages in the business of selling tangible personal
3 property at retail after his Certificate of Registration under
4 this Act has been revoked in accordance with Section 12 of this
5 Act, is guilty of a Class 4 felony. Each day any such person is
6 engaged in business in violation of Section 6, or after his
7 Certificate of Registration under this Act has been revoked,
8 constitutes a separate offense.

9 When the amount due is under \$300, any person who accepts
10 money that is due to the Department under this Act from a
11 taxpayer for the purpose of acting as the taxpayer's agent to
12 make the payment to the Department, but who fails to remit such
13 payment to the Department when due is guilty of a Class 4
14 felony. Any such person who purports to make such payment by
15 issuing or delivering a check or other order upon a real or
16 fictitious depository for the payment of money, knowing that it
17 will not be paid by the depository, shall be guilty of a
18 deceptive practice in violation of Section 17-1 of the Criminal
19 Code of 1961, as amended.

20 When the amount due is \$300 or more any person subject to
21 the provisions hereof who fails to file a return or who
22 violates any other provision of Section 9 or Section 10 hereof
23 or who fails to keep books and records as required herein or
24 who files a fraudulent return, or who wilfully violates any
25 rule or regulation of the Department for the administration and
26 enforcement of the provisions hereof, or any officer or agent
27 of a corporation or manager, member, or agent of a limited
28 liability company subject hereto who signs a fraudulent return
29 filed on behalf of such corporation or limited liability
30 company, or any accountant or other agent who knowingly enters
31 false information on the return of any taxpayer under this Act
32 or any person who violates any of the provisions of Sections 3,
33 5 or 7 hereof or any purchaser who obtains a registration
34 number or resale number from the Department through
35 misrepresentation, or who represents to a seller that such
36 purchaser has a registration number or a resale number from the

1 Department when he knows that he does not or who uses his
2 registration number or resale number to make a seller believe
3 that he is buying tangible personal property for resale when
4 such purchaser in fact knows that this is not the case, is
5 guilty of a Class 3 felony.

6 When the amount due is \$300 or more any person who accepts
7 money that is due to the Department under this Act from a
8 taxpayer for the purpose of acting as the taxpayer's agent to
9 make the payment to the Department, but who fails to remit such
10 payment to the Department when due is guilty of a Class 3
11 felony. Any such person who purports to make such payment by
12 issuing or delivering a check or other order upon a real or
13 fictitious depository for the payment of money, knowing that it
14 will not be paid by the depository shall be guilty of a
15 deceptive practice in violation of Section 17-1 of the Criminal
16 Code of 1961, as amended.

17 Any seller who collects or attempts to collect use tax
18 measured by receipts which such seller knows are not subject to
19 use tax, or any seller who knowingly over-collects or attempts
20 to over-collect use tax in a transaction which is subject to
21 the tax that is imposed by this Act, shall be guilty of a Class
22 4 felony for each such offense. This paragraph does not apply
23 to an amount collected by the seller as use tax on receipts
24 which are subject to tax under this Act as long as such
25 collection is made in compliance with the tax collection
26 brackets prescribed by the Department in its Rules and
27 Regulations.

28 Any taxpayer or agent of a taxpayer who with the intent to
29 defraud purports to make a payment due to the Department by
30 issuing or delivering a check or other order upon a real or
31 fictitious depository for the payment of money, knowing that it
32 will not be paid by the depository, shall be guilty of a
33 deceptive practice in violation of Section 17-1 of the Criminal
34 Code of 1961, as amended.

35 A prosecution for any act in violation of this Section may
36 be commenced at any time within 6 ~~3~~ years of the commission of

1 that Act.

2 This Section does not apply if the violation in a
3 particular case also constitutes a criminal violation of the
4 Retailers' Occupation Tax Act.

5 (Source: P.A. 88-480.)

6 Section 30. The Service Use Tax Act is amended by changing
7 Section 15 as follows:

8 (35 ILCS 110/15) (from Ch. 120, par. 439.45)

9 Sec. 15. When the amount due is under \$300, any person
10 subject to the provisions hereof who fails to file a return, or
11 who violates any other provision of Section 9 or Section 10
12 hereof, or who fails to keep books and records as required
13 herein, or who files a fraudulent return, or who wilfully
14 violates any Rule or Regulation of the Department for the
15 administration and enforcement of the provisions hereof, or any
16 officer or agent of a corporation, or manager, member, or agent
17 of a limited liability company, subject hereto who signs a
18 fraudulent return filed on behalf of such corporation or
19 limited liability company, or any accountant or other agent who
20 knowingly enters false information on the return of any
21 taxpayer under this Act, or any person who violates any of the
22 provisions of Sections 3 and 5 hereof, or any purchaser who
23 obtains a registration number or resale number from the
24 Department through misrepresentation, or who represents to a
25 seller that such purchaser has a registration number or a
26 resale number from the Department when he knows that he does
27 not, or who uses his registration number or resale number to
28 make a seller believe that he is buying tangible personal
29 property for resale when such purchaser in fact knows that this
30 is not the case, is guilty of a Class 4 felony.

31 Any person who violates any provision of Section 6 hereof,
32 or who engages in the business of making sales of service after
33 his Certificate of Registration under this Act has been revoked
34 in accordance with Section 12 of this Act, is guilty of a Class

1 4 felony. Each day any such person is engaged in business in
2 violation of Section 6, or after his Certificate of
3 Registration under this Act has been revoked, constitutes a
4 separate offense.

5 When the amount due is under \$300, any person who accepts
6 money that is due to the Department under this Act from a
7 taxpayer for the purpose of acting as the taxpayer's agent to
8 make the payment to the Department, but who fails to remit such
9 payment to the Department when due is guilty of a Class 4
10 felony. Any such person who purports to make such payment by
11 issuing or delivering a check or other order upon a real or
12 fictitious depository for the payment of money, knowing that it
13 will not be paid by the depository, shall be guilty of a
14 deceptive practice in violation of Section 17-1 of the Criminal
15 Code of 1961, as amended.

16 When the amount due is \$300 or more, any person subject to
17 the provisions hereof who fails to file a return, or who
18 violates any other provision of Section 9 or Section 10 hereof,
19 or who fails to keep books and records as required herein or
20 who files a fraudulent return, or who willfully violates any
21 rule or regulation of the Department for the administration and
22 enforcement of the provisions hereof, or any officer or agent
23 of a corporation, or manager, member, or agent of a limited
24 liability company, subject hereto who signs a fraudulent return
25 filed on behalf of such corporation or limited liability
26 company, or any accountant or other agent who knowingly enters
27 false information on the return of any taxpayer under this Act,
28 or any person who violates any of the provisions of Sections 3
29 and 5 hereof, or any purchaser who obtains a registration
30 number or resale number from the Department through
31 misrepresentation, or who represents to a seller that such
32 purchaser has a registration number or a resale number from the
33 Department when he knows that he does not, or who uses his
34 registration number or resale number to make a seller believe
35 that he is buying tangible personal property for resale when
36 such purchaser in fact knows that this is not the case, is

1 guilty of a Class 3 felony.

2 When the amount due is \$300 or more, any person who accepts
3 money that is due to the Department under this Act from a
4 taxpayer for the purpose of acting as the taxpayer's agent to
5 make the payment to the Department, but who fails to remit such
6 payment to the Department when due is guilty of a Class 3
7 felony. Any such person who purports to make such payment by
8 issuing or delivering a check or other order upon a real or
9 fictitious depository for the payment of money, knowing that it
10 will not be paid by the depository, shall be guilty of a
11 deceptive practice in violation of Section 17-1 of the Criminal
12 Code of 1961, as amended.

13 Any serviceman who collects or attempts to collect Service
14 Use Tax measured by receipts or selling prices which such
15 serviceman knows are not subject to Service Use Tax, or any
16 serviceman who knowingly over-collects or attempts to
17 over-collect Service Use Tax in a transaction which is subject
18 to the tax that is imposed by this Act, shall be guilty of a
19 Class 4 felony for each offense. This paragraph does not apply
20 to an amount collected by the serviceman as Service Use Tax on
21 receipts or selling prices which are subject to tax under this
22 Act as long as such collection is made in compliance with the
23 tax collection brackets prescribed by the Department in its
24 Rules and Regulations.

25 Any taxpayer or agent of a taxpayer who with the intent to
26 defraud purports to make a payment due to the Department by
27 issuing or delivering a check or other order upon a real or
28 fictitious depository for the payment of money, knowing that it
29 will not be paid by the depository, shall be guilty of a
30 deceptive practice in violation of Section 17-1 of the Criminal
31 Code of 1961, as amended.

32 A prosecution for any Act in violation of this Section may
33 be commenced at any time within 6 ~~3~~ years of the commission of
34 that Act.

35 This Section does not apply if the violation in a
36 particular case also constitutes a criminal violation of the

1 Retailers' Occupation Tax Act, the Use Tax Act or the Service
2 Occupation Tax Act.

3 (Source: P.A. 90-655, eff. 7-30-98; 91-51, eff. 6-30-99.)

4 Section 35. The Service Occupation Tax Act is amended by
5 changing Section 15 as follows:

6 (35 ILCS 115/15) (from Ch. 120, par. 439.115)

7 Sec. 15. When the amount due is under \$300, any person
8 subject to the provisions hereof who fails to file a return, or
9 who violates any other provision of Section 9 or Section 10
10 hereof, or who fails to keep books and records as required
11 herein, or who files a fraudulent return, or who wilfully
12 violates any Rule or Regulation of the Department for the
13 administration and enforcement of the provisions hereof, or any
14 officer or agent of a corporation, or manager, member, or agent
15 of a limited liability company, subject hereto who signs a
16 fraudulent return filed on behalf of such corporation or
17 limited liability company, or any accountant or other agent who
18 knowingly enters false information on the return of any
19 taxpayer under this Act, or any person who violates any of the
20 provisions of Sections 3, 5 or 7 hereof, or any purchaser who
21 obtains a registration number or resale number from the
22 Department through misrepresentation, or who represents to a
23 seller that such purchaser has a registration number or a
24 resale number from the Department when he knows that he does
25 not, or who uses his registration number or resale number to
26 make a seller believe that he is buying tangible personal
27 property for resale when such purchaser in fact knows that this
28 is not the case, is guilty of a Class 4 felony.

29 Any person who violates any provision of Section 6 hereof,
30 or who engages in the business of making sales of service after
31 his Certificate of Registration under this Act has been revoked
32 in accordance with Section 12 of this Act, is guilty of a Class
33 4 felony. Each day any such person is engaged in business in
34 violation of Section 6, or after his Certificate of

1 Registration under this Act has been revoked, constitutes a
2 separate offense.

3 When the amount due is under \$300, any person who accepts
4 money that is due to the Department under this Act from a
5 taxpayer for the purpose of acting as the taxpayer's agent to
6 make the payment to the Department, but who fails to remit such
7 payment to the Department when due is guilty of a Class 4
8 felony. Any such person who purports to make such payment by
9 issuing or delivering a check or other order upon a real or
10 fictitious depository for the payment of money, knowing that it
11 will not be paid by the depository, shall be guilty of a
12 deceptive practice in violation of Section 17-1 of the Criminal
13 Code of 1961, as amended.

14 When the amount due is \$300 or more, any person subject to
15 the provisions hereof who fails to file a return, or who
16 violates any other provision of Section 9 or Section 10 hereof,
17 or who fails to keep books and records as required herein, or
18 who files a fraudulent return, or who wilfully violates any
19 rule or regulation of the Department for the administration and
20 enforcement of the provisions hereof, or any officer or agent
21 of a corporation, or manager, member, or agent of a limited
22 liability company, subject hereto who signs a fraudulent return
23 filed on behalf of such corporation or limited liability
24 company, or any accountant or other agent who knowingly enters
25 false information on the return of any taxpayer under this Act,
26 or any person who violates any of the provisions of Sections 3,
27 5 or 7 hereof, or any purchaser who obtains a registration
28 number or resale number from the Department through
29 misrepresentation, or who represents to a seller that such
30 purchaser has a registration number or a resale number from the
31 Department when he knows that he does not, or who uses his
32 registration number or resale number to make a seller believe
33 that he is buying tangible personal property for resale when
34 such purchaser in fact knows that this is not the case, is
35 guilty of a Class 3 felony.

36 When the amount due is \$300 or more, any person who accepts

1 money that is due to the Department under this Act from a
2 taxpayer for the purpose of acting as the taxpayer's agent to
3 make the payment to the Department but who fails to remit such
4 payment to the Department when due is guilty of a Class 3
5 felony. Any such person who purports to make such payment by
6 issuing or delivering a check or other order upon a real or
7 fictitious depository for the payment of money, knowing that it
8 will not be paid by the depository shall be guilty of a
9 deceptive practice in violation of Section 17-1 of the Criminal
10 Code of 1961, as amended.

11 Any serviceman who collects or attempts to collect Service
12 Occupation Tax, measured by receipts which such serviceman
13 knows are not subject to Service Occupation Tax, or any
14 serviceman who collects or attempts to collect an amount
15 (however designated) which purports to reimburse such
16 serviceman for Service Occupation Tax liability measured by
17 receipts or selling prices which such serviceman knows are not
18 subject to Service Occupation Tax, or any serviceman who
19 knowingly over-collects or attempts to over-collect Service
20 Occupation Tax or an amount purporting to be reimbursement for
21 Service Occupation Tax liability in a transaction which is
22 subject to the tax that is imposed by this Act, shall be guilty
23 of a Class 4 felony for each such offense. This paragraph does
24 not apply to an amount collected by the serviceman as
25 reimbursement for the serviceman's Service Occupation Tax
26 liability on receipts or selling prices which are subject to
27 tax under this Act, as long as such collection is made in
28 compliance with the tax collection brackets prescribed by the
29 Department in its Rules and Regulations.

30 A prosecution for any act in violation of this Section may
31 be commenced at any time within 6 ~~3~~ years of the commission of
32 that act.

33 This Section does not apply if the violation in a
34 particular case also constitutes a criminal violation of the
35 Retailers' Occupation Tax Act or the Use Tax Act.

36 (Source: P.A. 91-51, eff. 6-30-99.)

1 Section 40. The Retailers' Occupation Tax Act is amended by
2 changing Sections 5, 5j, and 13 as follows:

3 (35 ILCS 120/5) (from Ch. 120, par. 444)

4 Sec. 5. In case any person engaged in the business of
5 selling tangible personal property at retail fails to file a
6 return when and as herein required, but thereafter, prior to
7 the Department's issuance of a notice of tax liability under
8 this Section, files a return and pays the tax, he shall also
9 pay a penalty in an amount determined in accordance with
10 Section 3-3 of the Uniform Penalty and Interest Act.

11 In case any person engaged in the business of selling
12 tangible personal property at retail files the return at the
13 time required by this Act but fails to pay the tax, or any part
14 thereof, when due, a penalty in an amount determined in
15 accordance with Section 3-3 of the Uniform Penalty and Interest
16 Act shall be added thereto.

17 In case any person engaged in the business of selling
18 tangible personal property at retail fails to file a return
19 when and as herein required, but thereafter, prior to the
20 Department's issuance of a notice of tax liability under this
21 Section, files a return but fails to pay the entire tax, a
22 penalty in an amount determined in accordance with Section 3-3
23 of the Uniform Penalty and Interest Act shall be added thereto.

24 In case any person engaged in the business of selling
25 tangible personal property at retail fails to file a return,
26 the Department shall determine the amount of tax due from him
27 according to its best judgment and information, which amount so
28 fixed by the Department shall be prima facie correct and shall
29 be prima facie evidence of the correctness of the amount of tax
30 due, as shown in such determination. In making any such
31 determination of tax due, it shall be permissible for the
32 Department to show a figure that represents the tax due for any
33 given period of 6 months instead of showing the amount of tax
34 due for each month separately. Proof of such determination by

1 the Department may be made at any hearing before the Department
2 or in any legal proceeding by a reproduced copy or computer
3 print-out of the Department's record relating thereto in the
4 name of the Department under the certificate of the Director of
5 Revenue. If reproduced copies of the Department's records are
6 offered as proof of such determination, the Director must
7 certify that those copies are true and exact copies of records
8 on file with the Department. If computer print-outs of the
9 Department's records are offered as proof of such
10 determination, the Director must certify that those computer
11 print-outs are true and exact representations of records
12 properly entered into standard electronic computing equipment,
13 in the regular course of the Department's business, at or
14 reasonably near the time of the occurrence of the facts
15 recorded, from trustworthy and reliable information. Such
16 certified reproduced copy or certified computer print-out
17 shall, without further proof, be admitted into evidence before
18 the Department or in any legal proceeding and shall be prima
19 facie proof of the correctness of the amount of tax due, as
20 shown therein. The Department shall issue the taxpayer a notice
21 of tax liability for the amount of tax claimed by the
22 Department to be due, together with a penalty of 30% thereof.

23 However, where the failure to file any tax return required
24 under this Act on the date prescribed therefor (including any
25 extensions thereof), is shown to be unintentional and
26 nonfraudulent and has not occurred in the 2 years immediately
27 preceding the failure to file on the prescribed date or is due
28 to other reasonable cause the penalties imposed by this Act
29 shall not apply.

30 If such person or the legal representative of such person
31 files, within 60 days after such notice, a protest to such
32 notice of tax liability and requests a hearing thereon, the
33 Department shall give notice to such person or the legal
34 representative of such person of the time and place fixed for
35 such hearing, and shall hold a hearing in conformity with the
36 provisions of this Act, and pursuant thereto shall issue a

1 final assessment to such person or to the legal representative
2 of such person for the amount found to be due as a result of
3 such hearing.

4 If a protest to the notice of tax liability and a request
5 for a hearing thereon is not filed within 60 days after such
6 notice, such notice of tax liability shall become final without
7 the necessity of a final assessment being issued and shall be
8 deemed to be a final assessment.

9 After the issuance of a final assessment, or a notice of
10 tax liability which becomes final without the necessity of
11 actually issuing a final assessment as hereinbefore provided,
12 the Department, at any time before such assessment is reduced
13 to judgment, may (subject to rules of the Department) grant a
14 rehearing (or grant departmental review and hold an original
15 hearing if no previous hearing in the matter has been held)
16 upon the application of the person aggrieved. Pursuant to such
17 hearing or rehearing, the Department shall issue a revised
18 final assessment to such person or his legal representative for
19 the amount found to be due as a result of such hearing or
20 rehearing.

21 Except in case of failure to file a return, or with the
22 consent of the person to whom the notice of tax liability is to
23 be issued, no notice of tax liability shall be issued on and
24 after each July 1 and January 1 covering gross receipts
25 received during any month or period of time more than 3 years
26 prior to such July 1 and January 1, respectively, except that
27 if a return is not filed at the required time, a notice of tax
28 liability may be issued not later than 3 years after the time
29 the return is filed. The foregoing limitations upon the
30 issuance of a notice of tax liability shall not apply to the
31 issuance of any such notice with respect to any period of time
32 prior thereto in cases where the Department has, within the
33 period of limitation then provided, notified a person of the
34 amount of tax computed even though the Department had not
35 determined the amount of tax due from such person in the manner
36 required herein prior to the issuance of such notice, but in no

1 case shall the amount of any such notice of tax liability for
2 any period otherwise barred by this Act exceed for such period
3 the amount shown in the notice theretofore issued.

4 If, when a tax or penalty under this Act becomes due and
5 payable, the person alleged to be liable therefor is out of the
6 State, the notice of tax liability may be issued within the
7 times herein limited after his or her coming into or return to
8 the State; and if, after the tax or penalty under this Act
9 becomes due and payable, the person alleged to be liable
10 therefor departs from and remains out of the State, the time of
11 his or her absence is no part of the time limited for the
12 issuance of the notice of tax liability; but the foregoing
13 provisions concerning absence from the State shall not apply to
14 any case in which, at the time when a tax or penalty becomes
15 due under this Act, the person allegedly liable therefor is not
16 a resident of this State.

17 The time limitation period on the Department's right to
18 issue a notice of tax liability shall not run during any period
19 of time in which the order of any court has the effect of
20 enjoining or restraining the Department from issuing the notice
21 of tax liability.

22 In case of failure to pay the tax, or any portion thereof,
23 or any penalty provided for in this Act, or interest, when due,
24 the Department may bring suit to recover the amount of such
25 tax, or portion thereof, or penalty or interest; or, if the
26 taxpayer has died or become a person under legal disability,
27 may file a claim therefor against his estate; provided that no
28 such suit with respect to any tax, or portion thereof, or
29 penalty, or interest shall be instituted more than 3 ~~2~~ years
30 after the date any proceedings in court for review thereof have
31 terminated or the time for the taking thereof has expired
32 without such proceedings being instituted, except with the
33 consent of the person from whom such tax or penalty or interest
34 is due; nor, except with such consent, shall such suit be
35 instituted more than 3 ~~2~~ years after the date any return is
36 filed with the Department in cases where the return constitutes

1 the basis for the suit for unpaid tax, or portion thereof, or
2 penalty provided for in this Act, or interest: Provided that
3 the time limitation period on the Department's right to bring
4 any such suit shall not run during any period of time in which
5 the order of any court has the effect of enjoining or
6 restraining the Department from bringing such suit.

7 After the expiration of the period within which the person
8 assessed may file an action for judicial review under the
9 Administrative Review Law without such an action being filed, a
10 certified copy of the final assessment or revised final
11 assessment of the Department may be filed with the Circuit
12 Court of the county in which the taxpayer has his principal
13 place of business, or of Sangamon County in those cases in
14 which the taxpayer does not have his principal place of
15 business in this State. The certified copy of the final
16 assessment or revised final assessment shall be accompanied by
17 a certification which recites facts that are sufficient to show
18 that the Department complied with the jurisdictional
19 requirements of the Act in arriving at its final assessment or
20 its revised final assessment and that the taxpayer had his
21 opportunity for an administrative hearing and for judicial
22 review, whether he availed himself or herself of either or both
23 of these opportunities or not. If the court is satisfied that
24 the Department complied with the jurisdictional requirements
25 of the Act in arriving at its final assessment or its revised
26 final assessment and that the taxpayer had his opportunity for
27 an administrative hearing and for judicial review, whether he
28 availed himself of either or both of these opportunities or
29 not, the court shall render judgment in favor of the Department
30 and against the taxpayer for the amount shown to be due by the
31 final assessment or the revised final assessment, plus any
32 interest which may be due, and such judgment shall be entered
33 in the judgment docket of the court. Such judgment shall bear
34 the rate of interest as set by the Uniform Penalty and Interest
35 Act, but otherwise shall have the same effect as other
36 judgments. The judgment may be enforced, and all laws

1 applicable to sales for the enforcement of a judgment shall be
2 applicable to sales made under such judgments. The Department
3 shall file the certified copy of its assessment, as herein
4 provided, with the Circuit Court within 2 years after such
5 assessment becomes final except when the taxpayer consents in
6 writing to an extension of such filing period, and except that
7 the time limitation period on the Department's right to file
8 the certified copy of its assessment with the Circuit Court
9 shall not run during any period of time in which the order of
10 any court has the effect of enjoining or restraining the
11 Department from filing such certified copy of its assessment
12 with the Circuit Court.

13 If, when the cause of action for a proceeding in court
14 accrues against a person, he or she is out of the State, the
15 action may be commenced within the times herein limited, after
16 his or her coming into or return to the State; and if, after
17 the cause of action accrues, he or she departs from and remains
18 out of the State, the time of his or her absence is no part of
19 the time limited for the commencement of the action; but the
20 foregoing provisions concerning absence from the State shall
21 not apply to any case in which, at the time the cause of action
22 accrues, the party against whom the cause of action accrues is
23 not a resident of this State. The time within which a court
24 action is to be commenced by the Department hereunder shall not
25 run from the date the taxpayer files a petition in bankruptcy
26 under the Federal Bankruptcy Act until 30 days after notice of
27 termination or expiration of the automatic stay imposed by the
28 Federal Bankruptcy Act.

29 No claim shall be filed against the estate of any deceased
30 person or any person under legal disability for any tax or
31 penalty or part of either, or interest, except in the manner
32 prescribed and within the time limited by the Probate Act of
33 1975, as amended.

34 The collection of tax or penalty or interest by any means
35 provided for herein shall not be a bar to any prosecution under
36 this Act.

1 In addition to any penalty provided for in this Act, any
2 amount of tax which is not paid when due shall bear interest at
3 the rate and in the manner specified in Sections 3-2 and 3-9 of
4 the Uniform Penalty and Interest Act from the date when such
5 tax becomes past due until such tax is paid or a judgment
6 therefor is obtained by the Department. If the time for making
7 or completing an audit of a taxpayer's books and records is
8 extended with the taxpayer's consent, at the request of and for
9 the convenience of the Department, beyond the date on which the
10 statute of limitations upon the issuance of a notice of tax
11 liability by the Department otherwise would run, no interest
12 shall accrue during the period of such extension or until a
13 Notice of Tax Liability is issued, whichever occurs first.

14 In addition to any other remedy provided by this Act, and
15 regardless of whether the Department is making or intends to
16 make use of such other remedy, where a corporation or limited
17 liability company registered under this Act violates the
18 provisions of this Act or of any rule or regulation promulgated
19 thereunder, the Department may give notice to the Attorney
20 General of the identity of such a corporation or limited
21 liability company and of the violations committed by such a
22 corporation or limited liability company, for such action as is
23 not already provided for by this Act and as the Attorney
24 General may deem appropriate.

25 If the Department determines that an amount of tax or
26 penalty or interest was incorrectly assessed, whether as the
27 result of a mistake of fact or an error of law, the Department
28 shall waive the amount of tax or penalty or interest that
29 accrued due to the incorrect assessment.

30 (Source: P.A. 87-193; 87-205; 87-895; 88-480.)

31 (35 ILCS 120/5j) (from Ch. 120, par. 444j)

32 Sec. 5j. If any taxpayer, outside the usual course of his
33 business, sells or transfers the major part of any one or more
34 of (A) the stock of goods which he is engaged in the business
35 of selling, or (B) the furniture or fixtures, (C) the machinery

1 and equipment, or (D) the real property, of any business that
2 is subject to the provisions of this Act, the purchaser or
3 transferee of such asset shall, no later than 10 business days
4 after the sale or transfer, file a notice of sale or transfer
5 of business assets with the Chicago office of the Department
6 disclosing the name and address of the seller or transferor,
7 the name and address of the purchaser or transferee, the date
8 of the sale or transfer, a copy of the sales contract and
9 financing agreements which shall include a description of the
10 property sold, the amount of the purchase price or a statement
11 of other consideration for the sale or transfer, the terms for
12 payment of the purchase price, and such other information as
13 the Department may reasonably require. If the purchaser or
14 transferee fails to file the above described notice of sale
15 with the Department within the prescribed time, the purchaser
16 or transferee shall be personally liable for the amount owed
17 hereunder by the seller or transferor to the Department up to
18 the amount of the reasonable value of the property acquired by
19 the purchaser or transferee. The seller or transferor shall pay
20 the Department the amount of tax, penalty and interest (if any)
21 due from him under this Act up to the date of the payment of
22 tax. The seller or transferor, or the purchaser or transferee,
23 at least 10 business days before the date of the sale or
24 transfer, may notify the Department of the intended sale or
25 transfer and request the Department to audit the books and
26 records of the seller or transferor, or to do whatever else may
27 be necessary to determine how much the seller or transferor
28 owes to the Department hereunder up to the date of the sale or
29 transfer. The Department shall take such steps as may be
30 appropriate to comply with such request.

31 Any order issued by the Department pursuant to this Section
32 to withhold from the purchase price shall be issued within 10
33 business days after the Department receives notification of a
34 sale as provided in this Section. The purchaser or transferee
35 shall withhold such portion of the purchase price as may be
36 directed by the Department, but not to exceed a minimum amount

1 varying by type of business, as determined by the Department
2 pursuant to regulations, plus twice the outstanding unpaid
3 liabilities and twice the average liability of preceding
4 filings times the number of unfiled returns, to cover the
5 amount of all tax, penalty and interest due and unpaid by the
6 seller or transferor under this Act or, if the payment of money
7 or property is not involved, shall withhold the performance of
8 the condition that constitutes the consideration for the sale
9 or transfer. Within 60 business days after issuance of the
10 initial order to withhold, the Department shall provide written
11 notice to the purchaser or transferee of the actual amount of
12 all taxes, penalties and interest then due and whether or not
13 additional amounts may become due as a result of unfiled
14 returns, pending assessments and audits not completed. The
15 purchaser or transferee shall continue to withhold the amount
16 directed to be withheld by the initial order or such lesser
17 amount as is specified by the final withholding order or to
18 withhold the performance of the condition which constitutes the
19 consideration for the sale or transfer until the purchaser or
20 transferee receives from the Department a certificate showing
21 that such tax, penalty and interest have been paid or a
22 certificate from the Department showing that no tax, penalty or
23 interest is due from the seller or transferor under this Act.

24 The purchaser or transferee is relieved of any duty to
25 continue to withhold from the purchase price and of any
26 liability for tax, penalty or interest due hereunder from the
27 seller or transferor if the Department fails to notify the
28 purchaser or transferee in the manner provided herein of the
29 amount to be withheld within 10 business days after the sale or
30 transfer has been reported to the Department or within 60
31 business days after issuance of the initial order to withhold,
32 as the case may be. The Department shall have the right to
33 determine amounts claimed on an estimated basis to allow for
34 non-filed periods, pending assessments and audits not
35 completed, however the purchaser or transferee shall be
36 personally liable only for the actual amount due when

1 determined.

2 If the seller or transferor fails to pay the tax, penalty
3 and interest (if any) due from him hereunder and the Department
4 makes timely claim therefor against the purchaser or transferee
5 as hereinabove provided, then the purchaser or transferee shall
6 pay the amount so withheld from the purchase price to the
7 Department. If the purchaser or transferee fails to comply with
8 the requirements of this Section, the purchaser or transferee
9 shall be personally liable to the Department for the amount
10 owed hereunder by the seller or transferor to the Department up
11 to the amount of the reasonable value of the property acquired
12 by the purchaser or transferee.

13 Any person who shall acquire any property or rights thereto
14 which, at the time of such acquisition, is subject to a valid
15 lien in favor of the Department shall be personally liable to
16 the Department for a sum equal to the amount of taxes secured
17 by such lien but not to exceed the reasonable value of such
18 property acquired by him.

19 (Source: P.A. 86-923; 86-953.)

20 (35 ILCS 120/13) (from Ch. 120, par. 452)

21 Sec. 13. When the amount due is under \$300, any person
22 engaged in the business of selling tangible personal property
23 at retail in this State who fails to file a return, or who
24 files a fraudulent return, or any officer, employee or agent of
25 a corporation, member, employee or agent of a partnership, or
26 manager, member, agent, or employee of a limited liability
27 company engaged in the business of selling tangible personal
28 property at retail in this State who, as such officer,
29 employee, agent, manager, or member is under a duty to file a
30 return, or any officer, agent or employee of a corporation,
31 member, agent, or employee of a partnership, or manager,
32 member, agent, or employee of a limited liability company
33 engaged in the business of selling tangible personal property
34 at retail in this State who files or causes to be filed or
35 signs or causes to be signed a fraudulent return filed on

1 behalf of such corporation or limited liability company, or any
2 accountant or other agent who knowingly enters false
3 information on the return of any taxpayer under this Act, is
4 guilty of a Class 4 felony.

5 Any person who or any officer or director of any
6 corporation, partner or member of any partnership, or manager
7 or member of a limited liability company that: (a) violates
8 Section 2a of this Act or (b) fails to keep books and records,
9 or fails to produce books and records as required by Section 7
10 or (c) willfully violates a rule or regulation of the
11 Department for the administration and enforcement of this Act
12 is guilty of a Class A misdemeanor. Any person, manager or
13 member of a limited liability company, or officer or director
14 of any corporation who engages in the business of selling
15 tangible personal property at retail after the certificate of
16 registration of that person, corporation, limited liability
17 company, or partnership has been revoked is guilty of a Class A
18 misdemeanor. Each day such person, corporation, or partnership
19 is engaged in business without a certificate of registration or
20 after the certificate of registration of that person,
21 corporation, or partnership has been revoked constitutes a
22 separate offense.

23 Any purchaser who obtains a registration number or resale
24 number from the Department through misrepresentation, or who
25 represents to a seller that such purchaser has a registration
26 number or a resale number from the Department when he knows
27 that he does not, or who uses his registration number or resale
28 number to make a seller believe that he is buying tangible
29 personal property for resale when such purchaser in fact knows
30 that this is not the case is guilty of a Class 4 felony.

31 Any distributor, supplier or other reseller of motor fuel
32 registered pursuant to Section 2a or 2c of this Act who fails
33 to collect the prepaid tax on invoiced gallons of motor fuel
34 sold or who fails to deliver a statement of tax paid to the
35 purchaser or to the Department as required by Sections 2d and
36 2e of this Act, respectively, shall be guilty of a Class A

1 misdemeanor if the amount due is under \$300, and a Class 4
2 felony if the amount due is \$300 or more.

3 When the amount due is under \$300, any person who accepts
4 money that is due to the Department under this Act from a
5 taxpayer for the purpose of acting as the taxpayer's agent to
6 make the payment to the Department, but who fails to remit such
7 payment to the Department when due is guilty of a Class 4
8 felony.

9 Any seller who collects or attempts to collect an amount
10 (however designated) which purports to reimburse such seller
11 for retailers' occupation tax liability measured by receipts
12 which such seller knows are not subject to retailers'
13 occupation tax, or any seller who knowingly over-collects or
14 attempts to over-collect an amount purporting to reimburse such
15 seller for retailers' occupation tax liability in a transaction
16 which is subject to the tax that is imposed by this Act, shall
17 be guilty of a Class 4 felony for each such offense. This
18 paragraph does not apply to an amount collected by the seller
19 as reimbursement for the seller's retailers' occupation tax
20 liability on receipts which are subject to tax under this Act
21 as long as such collection is made in compliance with the tax
22 collection brackets prescribed by the Department in its Rules
23 and Regulations.

24 When the amount due is \$300 or more, any person engaged in
25 the business of selling tangible personal property at retail in
26 this State who fails to file a return, or who files a
27 fraudulent return, or any officer, employee or agent of a
28 corporation, member, employee or agent of a partnership, or
29 manager, member, agent, or employee of a limited liability
30 company engaged in the business of selling tangible personal
31 property at retail in this State who, as such officer,
32 employee, agent, manager, or member is under a duty to file a
33 return and who fails to file such return or any officer, agent,
34 or employee of a corporation, member, agent or employee of a
35 partnership, or manager, member, agent, or employee of a
36 limited liability company engaged in the business of selling

1 tangible personal property at retail in this State who files or
2 causes to be filed or signs or causes to be signed a fraudulent
3 return filed on behalf of such corporation or limited liability
4 company, or any accountant or other agent who knowingly enters
5 false information on the return of any taxpayer under this Act
6 is guilty of a Class 3 felony.

7 When the amount due is \$300 or more, any person engaged in
8 the business of selling tangible personal property at retail in
9 this State who accepts money that is due to the Department
10 under this Act from a taxpayer for the purpose of acting as the
11 taxpayer's agent to make payment to the Department but fails to
12 remit such payment to the Department when due, is guilty of a
13 Class 3 felony.

14 Any person whose principal place of business is in this
15 State and who is charged with a violation under this Section
16 shall be tried in the county where his principal place of
17 business is located unless he asserts a right to be tried in
18 another venue.

19 Any taxpayer or agent of a taxpayer who with the intent to
20 defraud purports to make a payment due to the Department by
21 issuing or delivering a check or other order upon a real or
22 fictitious depository for the payment of money, knowing that it
23 will not be paid by the depository, shall be guilty of a
24 deceptive practice in violation of Section 17-1 of the Criminal
25 Code of 1961, as amended.

26 A prosecution for any act in violation of this Section may
27 be commenced at any time within 6 ~~3~~ years of the commission of
28 that act.

29 (Source: P.A. 87-879; 88-480.)

30 Section 45. The Cigarette Tax Act is amended by changing
31 Section 21 as follows:

32 (35 ILCS 130/21) (from Ch. 120, par. 453.21)

33 Sec. 21. (a) When any original packages of cigarettes or
34 any cigarette vending device shall have been declared forfeited

1 to the State by the Department, as provided in Section 18a of
2 this Act, and when all proceedings for the judicial review of
3 the Department's decision have terminated, the Department
4 shall, to the extent that its decision is sustained on review,
5 destroy, maintain and use in an undercover capacity, or sell
6 such property for the best price obtainable and shall forthwith
7 pay over the proceeds of such sale to the State Treasurer. If
8 the value of such property to be sold at any one time is \$500 or
9 more, however, such property shall be sold only to the highest
10 and best bidder on such terms and conditions and on open
11 competitive bidding after public advertisement, in such manner
12 and for such terms as the Department, by rule, may prescribe.

13 (b) If no complaint for review, as provided in Section 8 of
14 this Act, has been filed within the time required by the
15 Administrative Review Law, and if no stay order has been
16 entered thereunder, the Department shall proceed to sell the
17 property for the best price obtainable and shall forthwith pay
18 over the proceeds of such sale to the State Treasurer. If the
19 value of such property to be sold at any one time is \$500 or
20 more, however, such property shall be sold only to the highest
21 and best bidder on such terms and conditions and on open
22 competitive bidding after public advertisement, in such manner
23 and for such terms as the Department, by rule, may prescribe.

24 (c) Upon making a sale of unstamped original packages of
25 cigarettes as provided in this Section, the Department shall
26 affix a distinctive stamp to each of the original packages so
27 sold indicating that the same are sold under this Section.

28 (d) Notwithstanding the foregoing, any cigarettes seized
29 under this Act or under the Cigarette Use Tax Act may, at the
30 discretion of the Director of Revenue, be distributed to any
31 eleemosynary institution within the State of Illinois.

32 (Source: P.A. 82-783.)

33 Section 50. The Cigarette Use Tax Act is amended by
34 changing Sections 26 and 27 as follows:

1 (35 ILCS 135/26) (from Ch. 120, par. 453.56)

2 Sec. 26. Whenever any peace officer of the State or any
3 duly authorized officer or employee of the Department shall
4 have reason to believe that any violation of this Act has
5 occurred and that the person so violating the Act has in his,
6 her or its possession any original package of cigarettes, not
7 tax stamped or tax imprinted underneath the sealed transparent
8 wrapper of such original packages, as required by this Act, or
9 any vending device containing such original packages to which
10 stamps have not been affixed, or on which an authorized
11 substitute for stamps has not been imprinted underneath the
12 sealed transparent wrapper of such original packages, as
13 required by this Act, he may file or cause to be filed his
14 complaint in writing, verified by affidavit, with any circuit
15 court within whose jurisdiction the premises to be searched are
16 situated, stating the facts upon which such belief is founded,
17 the premises to be searched, and the property to be seized, and
18 procure a search warrant and execute the same. Upon the
19 execution of such search warrant, the peace officer, or officer
20 or employee of the Department, executing such search warrant
21 shall make due return thereof to the court issuing the same,
22 together with an inventory of the property taken thereunder.
23 The court shall thereupon issue process against the owner of
24 such property if he is known; otherwise, such process shall be
25 issued against the person in whose possession the property so
26 taken is found, if such person is known. In case of inability
27 to serve such process upon the owner or the person in
28 possession of the property at the time of its seizure, as
29 hereinbefore provided, notice of the proceedings before the
30 court shall be given as required by the statutes of the State
31 governing cases of Attachment. Upon the return of the process
32 duly served or upon the posting or publishing of notice made,
33 as hereinabove provided, the court or jury, if a jury shall be
34 demanded, shall proceed to determine whether or not such
35 property so seized was held or possessed in violation of this
36 Act, or whether, if a vending device has been so seized, it

1 contained at the time of its seizure original packages not tax
2 stamped or tax imprinted underneath the sealed transparent
3 wrapper of such original packages as required by this Act. In
4 case of a finding that the original packages seized were not
5 tax stamped or tax imprinted underneath the sealed transparent
6 wrapper of such original packages in accordance with the
7 provisions of this Act, or that any vending device so seized
8 contained at the time of its seizure original packages not tax
9 stamped or tax imprinted underneath the sealed transparent
10 wrapper of such original packages in accordance with the
11 provisions of this Act, judgment shall be entered confiscating
12 and forfeiting the property to the State and ordering its
13 delivery to the Department, and in addition thereto, the court
14 shall have power to tax and assess the costs of the
15 proceedings.

16 When any original packages or any cigarette vending device
17 shall have been declared forfeited to the State by any court,
18 as hereinbefore provided, and when such confiscated and
19 forfeited property shall have been delivered to the Department,
20 as provided in this Act, the said Department at its sole
21 discretion shall destroy, maintain and use in an undercover
22 capacity, or sell such property for the best price obtainable
23 and shall forthwith pay over the proceeds of such sale to the
24 State Treasurer; provided, however, that if the value of such
25 property to be sold at any one time shall be \$500 or more, such
26 property shall be sold only to the highest and best bidder on
27 such terms and conditions and on open competitive bidding after
28 public advertisement, in such manner and for such terms as the
29 Department, by rule, may prescribe.

30 Upon making such a sale of original packages of cigarettes
31 which were not tax stamped or tax imprinted underneath the
32 sealed transparent wrapper of such original packages as
33 required by this Act, the Department shall affix a distinctive
34 stamp to each of the original packages so sold indicating that
35 the same are sold pursuant to the provisions of this Section.

36 (Source: Laws 1965, p. 3710.)

1 (35 ILCS 135/27) (from Ch. 120, par. 453.57)

2 Sec. 27. When any original packages of cigarettes or any
3 cigarette vending device shall have been declared forfeited to
4 the State by the Department, as provided in Section 25 of this
5 Act, and when all proceedings for the judicial review of the
6 Department's decision have terminated, the Department shall at
7 its sole discretion, to the extent that its decision is
8 sustained on review, destroy, maintain and use in an undercover
9 capacity, or sell such property for the best price obtainable
10 and shall forthwith pay over the proceeds of such sale to the
11 State Treasurer; provided, however, that if the value of such
12 property to be sold at any one time shall be Five Hundred
13 Dollars (\$500) or more, such property shall be sold only to the
14 highest and best bidder on such terms and conditions and on
15 open competitive bidding after public advertisement, in such
16 manner and for such terms as the Department, by rule, may
17 prescribe.

18 If no complaint for review, as provided in Section 21 of
19 this Act, has been filed within the time required by the
20 "Administrative Review Law," and if no stay order has been
21 entered thereunder, the Department shall proceed to sell said
22 property for the best price obtainable and shall forthwith pay
23 over the proceeds of such sale to the State Treasurer;
24 provided, however, that if the value of such property to be
25 sold at any one time shall be \$500 or more, such property shall
26 be sold only to the highest and best bidder on such terms and
27 conditions and on open competitive bidding after public
28 advertisement, in such manner and for such terms as the
29 Department, by rule, may prescribe.

30 Upon making a sale of unstamped original packages of
31 cigarettes as provided in this Section, the Department shall
32 affix a distinctive stamp to each of the original packages so
33 sold indicating that the same are sold pursuant to the
34 provisions of this Section.

35 (Source: P.A. 83-1539.)

1 Section 55. The Tobacco Products Tax Act of 1995 is amended
2 by changing Section 10-58 as follows:

3 (35 ILCS 143/10-58)

4 Sec. 10-58. Sale of forfeited tobacco products or vending
5 devices.

6 (a) When any tobacco products or any vending devices are
7 declared forfeited to the State by the Department, as provided
8 in Section 10-55, and when all proceedings for the judicial
9 review of the Department's decision have terminated, the
10 Department shall, to the extent that its decision is sustained
11 on review, sell the property for the best price obtainable and
12 shall forthwith pay over the proceeds of the sale to the State
13 Treasurer. If the value of the property to be sold at any one
14 time is \$500 or more, however, the property shall be sold only
15 to the highest and best bidder on terms and conditions, and on
16 open competitive bidding after public advertisement, in a
17 manner and for terms as the Department, by rule, may prescribe.

18 (b) If no complaint for review, as provided in Section 12
19 of the Retailers' Occupation Tax Act, has been filed within the
20 time required by the Administrative Review Law, and if no stay
21 order has been entered under that Law, the Department shall
22 proceed to destroy, maintain and use in an undercover capacity,
23 or sell the property for the best price obtainable and shall
24 forthwith pay over the proceeds of the sale to the State
25 Treasurer. If the value of the property to be sold at any one
26 time is \$500 or more, however, the property shall be sold only
27 to the highest and best bidder on terms and conditions, and on
28 open competitive bidding after public advertisement, in a
29 manner and for terms as the Department, by rule, may prescribe.

30 (c) Upon making a sale of tobacco products as provided in
31 this Section, the Department shall affix a distinctive stamp to
32 each of the tobacco products so sold indicating that they are
33 sold under this Section.

34 (d) Notwithstanding the foregoing, any tobacco products

1 seized under this Act may, at the discretion of the Director of
2 Revenue, be distributed to any eleemosynary institution within
3 the State of Illinois.

4 (Source: P.A. 92-743, eff. 7-25-02.)

5 Section 60. The Gas Use Tax Law is amended by changing
6 Sections 5-25 and 5-35 as follows:

7 (35 ILCS 173/5-25)

8 Sec. 5-25. Self-assessing purchaser; direct return and
9 payment of tax. Except for purchasers who have chosen the
10 alternate tax rate to be paid to a delivering supplier
11 maintaining a place of business in this State, the tax imposed
12 in Section 5-10 of this Law shall be paid to the Department
13 directly by each self-assessing purchaser who is subject to the
14 tax imposed by this Law. Each self-assessing purchaser shall,
15 on or before the last 15th day of each month, make a return to
16 the Department for the preceding calendar month, stating the
17 following:

18 (1) His or her name and principal address.

19 (2) The total number of therms used by him or her
20 during the preceding calendar month and upon the basis of
21 which the tax is imposed.

22 (3) The purchase price of gas used by him or her during
23 the preceding calendar month and upon the basis of which
24 the tax is imposed.

25 (4) Amount of tax (computed upon items 2 and 3).

26 (5) Such other reasonable information as the
27 Department may require.

28 In making such return, the self-assessing purchaser may use
29 any reasonable method to derive reportable "therms" and
30 "purchase price" from his or her billing and payment records.

31 If the average monthly liability of the self-assessing
32 purchaser to the Department does not exceed \$200 ~~\$100~~, the
33 Department may authorize his or her returns to be filed on a
34 quarter-annual basis, with the return for January, February,

1 and March of a given year being due by April 30 of such year;
2 with the return for April, May, and June of a given year being
3 due by July 31 of such year; with the return for July, August,
4 and September of a given year being due by October 31 of such
5 year; and with the return for October, November, and December
6 of a given year being due by January 31 of the following year.

7 If the average monthly liability of the self-assessing
8 purchaser to the Department does not exceed \$50 ~~\$20~~, the
9 Department may authorize his or her returns to be filed on a
10 annual basis, with the return for a given year being due by
11 January 31 of the following year.

12 Such quarter-annual and annual returns, as to form and
13 substance, shall be subject to the same requirements as monthly
14 returns.

15 Notwithstanding any other provision in this Law concerning
16 the time within which a self-assessing purchaser may file his
17 or her return, in the case of any such self-assessing purchaser
18 who ceases to engage in a kind of business which makes him or
19 her responsible for filing returns under this Law, such person
20 shall file a final return under this Law with the Department
21 not more than one month after discontinuing such business.

22 Each self-assessing purchaser whose average monthly
23 liability to the Department under this Law was \$25,000 ~~\$10,000~~
24 or more during the preceding calendar year, excluding the month
25 of highest liability and the month of lowest liability in such
26 calendar year, and who is not operated by a unit of local
27 government, shall make estimated payments to the Department on
28 or before the 7th, 15th, 22nd, and last day of the month during
29 which tax liability to the Department is incurred in an amount
30 not less than the lower of either 22.5% of such person's actual
31 tax liability for the month or 25% of such person's actual tax
32 liability for the same calendar month of the preceding year.
33 The amount of such quarter-monthly payments shall be credited
34 against the final tax liability of the self-assessing
35 purchaser's return for that month. Any outstanding credit,
36 approved by the Department, arising from the self-assessing

1 purchaser's overpayment of his or her final tax liability for
2 any month may be applied to reduce the amount of any subsequent
3 quarter-monthly payment or credited against the final tax
4 liability of such self-assessing purchaser's return for any
5 subsequent month. If any quarter-monthly payment is not paid at
6 the time or in the amount required by this Section, such person
7 shall be liable for penalty and interest on the difference
8 between the minimum amount due as a payment and the amount of
9 such payment actually and timely paid, except insofar as such
10 person has previously made payments for that month to the
11 Department in excess of the minimum payments previously due.

12 The self-assessing purchaser making the return provided
13 for in this Section shall, at the time of making such return,
14 pay to the Department the amount of tax imposed by this Law.
15 All moneys received by the Department under this Law shall be
16 paid into the General Revenue Fund in the State treasury.

17 (Source: P.A. 93-31, eff. 10-1-03.)

18 (35 ILCS 173/5-35)

19 Sec. 5-35. Return and payment of tax by delivering
20 supplier. Each delivering supplier who is required under
21 Section 5-15 to collect the tax imposed by this Law shall make
22 a return to the Department on or before the last 15th day of
23 each month for the preceding calendar month stating the
24 following:

25 (1) His or her name.

26 (2) The address of his or her principal place of
27 business or ~~and~~ the address of the principal place of
28 business (if that is a different address) from which he or
29 she engages in the business of delivering gas to persons
30 for use or consumption and not for resale.

31 (3) The total number of therms of gas delivered to
32 purchasers during the preceding calendar month and upon the
33 basis of which the tax is imposed.

34 (4) Amount of tax computed upon item 3.

35 (5) Such other reasonable information as the

1 Department may require.

2 In making such return the person engaged in the business of
3 delivering gas to persons for use or consumption and not for
4 resale may use any reasonable method to derive reportable
5 "therms" from his or her billing and payment records.

6 If the average monthly liability to the Department of the
7 delivering supplier does not exceed \$200 ~~\$100~~, the Department
8 may authorize his or her returns to be filed on a
9 quarter-annual basis, with the return for January, February,
10 and March of a given year being due by April 30 of such year;
11 with the return for April, May, and June of a given year being
12 due by July 31 of such year; with the return for July, August,
13 and September of a given year being due by October 31 of such
14 year; and with the return for October, November, and December
15 of a given year being due by January 31 of the following year.

16 If the average monthly liability to the Department of the
17 delivering supplier does not exceed \$50 ~~\$20~~, the Department may
18 authorize his or her returns to be filed on an annual basis,
19 with the return for a given year being due by January 31 of the
20 following year.

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

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

31 Each delivering supplier whose average monthly liability
32 to the Department under this Law was \$25,000 ~~\$10,000~~ or more
33 during the preceding calendar year, excluding the month of
34 highest liability and the month of lowest liability in such
35 calendar year, and who is not operated by a unit of local
36 government, shall make estimated payments to the Department on

1 or before the 7th, 15th, 22nd, and last day of the month during
2 which tax liability to the Department is incurred in an amount
3 not less than the lower of either 22.5% of such person's actual
4 tax liability for the month or 25% of such person's actual tax
5 liability for the same calendar month of the preceding year.
6 The amount of such quarter-monthly payments shall be credited
7 against the final tax liability of such person's return for
8 that month. Any outstanding credit, approved by the Department,
9 arising from such person's overpayment of his or her final tax
10 liability for any month may be applied to reduce the amount of
11 any subsequent quarter-monthly payment or credited against the
12 final tax liability of such person's return for any subsequent
13 month. If any quarter-monthly payment is not paid at the time
14 or in the amount required by this Section, such person shall be
15 liable for penalty and interest on the difference between the
16 minimum amount due as a payment and the amount of such payment
17 actually and timely paid, except insofar as such person has
18 previously made payments for that month to the Department in
19 excess of the minimum payments previously due.

20 The delivering supplier making the return provided for in
21 this Section shall, at the time of making such return, pay to
22 the Department the amount of tax imposed by this Law. All
23 moneys received by the Department under this Law shall be paid
24 into the General Revenue Fund in the State treasury.

25 (Source: P.A. 93-31, eff. 10-1-03.)

26 Section 65. The Property Tax Code is amended by changing
27 Sections 31-15 and 31-20 as follows:

28 (35 ILCS 200/31-15)

29 Sec. 31-15. Collection of tax. The tax shall be collected
30 by the recorder or registrar of titles of the county in which
31 the property is situated through the sale of revenue stamps or
32 other indicia of payment, the design, denominations and form of
33 which shall be prescribed by the Department. ~~If requested by~~
34 ~~the recorder or registrar of titles of a county that has~~

1 ~~imposed a county real estate transfer tax under Section 5-1031~~
2 ~~of the Counties Code, the Department shall design the stamps~~
3 ~~furnished to that county under this Section so that the same~~
4 ~~stamp also provides evidence of the payment of the county real~~
5 ~~estate transfer tax and shall include in the design of the~~
6 ~~stamp the name of the county and an indication that the stamp~~
7 ~~is evidence of the payment of both State and county real estate~~
8 ~~transfer taxes. The revenue stamps shall be sold by the~~
9 ~~Department to the recorder or registrar of titles who shall~~
10 ~~cause them to be sold for the purposes prescribed. The~~
11 ~~Department shall charge at a rate of 50¢ per \$500 of value in~~
12 ~~units of not less than \$500. The recorder or registrar of~~
13 ~~titles of the several counties shall sell the revenue stamps or~~
14 ~~other indicia of payment at a rate of 50¢ per \$500 of value or~~
15 ~~fraction of \$500. The recorder or registrar of titles shall~~
16 ~~file a return and remit the tax to the Department on or before~~
17 ~~the 15th day of the month following the month in which the tax~~
18 ~~was required to be collected. The return shall disclose the tax~~
19 ~~collected and other information that the Department may~~
20 ~~reasonably require. The return shall be filed on a form~~
21 ~~prescribed by the Department. The Department may promulgate~~
22 ~~rules to charge a penalty, interest, or both for failing to~~
23 ~~file or pay the amount of tax collected on or before the due~~
24 ~~date for filing the return. ~~The recorder or registrar of titles~~~~
25 ~~may use the proceeds for the purchase of revenue stamps from~~
26 ~~the Department.~~

27 (Source: P.A. 91-555, eff. 1-1-00.)

28 (35 ILCS 200/31-20)

29 Sec. 31-20. Affixing of stamps or other indicia of payment.
30 Payment of the tax shall be evidenced by revenue stamps or
31 other indicia of payment approved by the Department in the
32 amount required to show full payment of the tax imposed by
33 Section 31-10. Except as provided in Section 31-45, a deed,
34 document transferring a controlling interest in real property,
35 or trust document shall not be accepted for filing by any

1 recorder or registrar of titles unless revenue stamps or other
2 indicia of payment in the required amount have been purchased
3 from the recorder or registrar of titles of the county where
4 the deed, document transferring a controlling interest in real
5 property, or trust document is being filed for recordation. The
6 revenue stamps or other indicia of payment shall be affixed to
7 the deed, document transferring a controlling interest in real
8 property, or trust document by the recorder or the registrar of
9 titles either before or after recording as requested by the
10 grantee. The Department may prescribe a form to which stamps or
11 other indicia of payment must be affixed that a transferee must
12 file for recordation at the time a declaration is presented if
13 a transferring document is not presented for recordation within
14 3 business days after the transfer is effected. A person using
15 or affixing a revenue stamp or other indicia of payment shall
16 cancel it and so deface it as to render it unfit for reuse by
17 marking it with his or her initials and the day, month and year
18 when the affixing occurs. The marking shall be made by writing
19 or stamping in indelible ink or by perforating with a machine
20 or punch. However, the revenue stamp or other indicia of
21 payment shall not be so defaced as to prevent ready
22 determination of its denomination and genuineness.

23 (Source: P.A. 93-657, eff. 6-1-04; 93-1099, eff. 6-1-05.)

24 Section 70. The Gas Revenue Tax Act is amended by changing
25 Section 3 as follows:

26 (35 ILCS 615/3) (from Ch. 120, par. 467.18)

27 Sec. 3. Except as provided in this Section, on or before
28 the last ~~15th~~ day of each month, each taxpayer shall make a
29 return to the Department for the preceding calendar month,
30 stating:

31 1. His name;

32 2. The address of his principal place of business, or
33 ~~and~~ the address of the principal place of business (if that
34 is a different address) from which he engages in the

1 business of distributing, supplying, furnishing or selling
2 gas in this State;

3 3. The total number of therms for which payment was
4 received by him from customers during the preceding
5 calendar month and upon the basis of which the tax is
6 imposed;

7 4. Gross receipts which were received by him from
8 customers during the preceding calendar month from such
9 business, including budget plan and other customer-owned
10 amounts applied during such month in payment of charges
11 includible in gross receipts, and upon the basis of which
12 the tax is imposed;

13 5. Amount of tax (computed upon Items 3 and 4);

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

16 In making such return the taxpayer may use any reasonable
17 method to derive reportable "therms" and "gross receipts" from
18 his billing and payment records.

19 Any taxpayer required to make payments under this Section
20 may make the payments by electronic funds transfer. The
21 Department shall adopt rules necessary to effectuate a program
22 of electronic funds transfer.

23 If the taxpayer's average monthly tax liability to the
24 Department does not exceed \$200 ~~\$100.00~~, the Department may
25 authorize his returns to be filed on a quarter annual basis,
26 with the return for January, February and March of a given year
27 being due by April 30 of such year; with the return for April,
28 May and June of a given year being due by July 31 of such year;
29 with the return for July, August and September of a given year
30 being due by October 31 of such year, and with the return for
31 October, November and December of a given year being due by
32 January 31 of the following year.

33 If the taxpayer's average monthly tax liability to the
34 Department does not exceed \$50 ~~\$20.00~~, the Department may
35 authorize his returns to be filed on an annual basis, with the
36 return for a given year being due by January 31 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 taxpayer may file his return, in the
7 case of any taxpayer who ceases to engage in a kind of business
8 which makes him responsible for filing returns under this Act,
9 such taxpayer shall file a final return under this Act with the
10 Department not more than one month after discontinuing such
11 business.

12 In making such return the taxpayer shall determine the
13 value of any reportable consideration other than money received
14 by him and shall include such value in his return. Such
15 determination shall be subject to review and revision by the
16 Department in the same manner as is provided in this Act for
17 the correction of returns.

18 Each taxpayer whose average monthly liability to the
19 Department under this Act was \$25,000 ~~\$10,000~~ or more during
20 the preceding calendar year, excluding the month of highest
21 liability and the month of lowest liability in such calendar
22 year, and who is not operated by a unit of local government,
23 shall make estimated payments to the Department on or before
24 the 7th, 15th, 22nd and last day of the month during which tax
25 liability to the Department is incurred in an amount not less
26 than the lower of either 22.5% of the taxpayer's actual tax
27 liability for the month or 25% of the taxpayer's actual tax
28 liability for the same calendar month of the preceding year.
29 The amount of such quarter monthly payments shall be credited
30 against the final tax liability of the taxpayer's return for
31 that month. Any outstanding credit, approved by the Department,
32 arising from the taxpayer's overpayment of its final tax
33 liability for any month may be applied to reduce the amount of
34 any subsequent quarter monthly payment or credited against the
35 final tax liability of the taxpayer's return for any subsequent
36 month. If any quarter monthly payment is not paid at the time

1 or in the amount required by this Section, the taxpayer shall
2 be liable for penalty and interest on the difference between
3 the minimum amount due as a payment and the amount of such
4 payment actually and timely paid, except insofar as the
5 taxpayer has previously made payments for that month to the
6 Department in excess of the minimum payments previously due.

7 If the Director finds that the information required for the
8 making of an accurate return cannot reasonably be compiled by a
9 taxpayer within 15 days after the close of the calendar month
10 for which a return is to be made, he may grant an extension of
11 time for the filing of such return for a period of not to
12 exceed 31 calendar days. The granting of such an extension may
13 be conditioned upon the deposit by the taxpayer with the
14 Department of an amount of money not exceeding the amount
15 estimated by the Director to be due with the return so
16 extended. All such deposits, including any made before the
17 effective date of this amendatory Act of 1975 with the
18 Department, shall be credited against the taxpayer's
19 liabilities under this Act. If any such deposit exceeds the
20 taxpayer's present and probable future liabilities under this
21 Act, the Department shall issue to the taxpayer a credit
22 memorandum, which may be assigned by the taxpayer to a similar
23 taxpayer under this Act, in accordance with reasonable rules
24 and regulations to be prescribed by the Department.

25 The taxpayer making the return provided for in this Section
26 shall, at the time of making such return, pay to the Department
27 the amount of tax imposed by this Act. All moneys received by
28 the Department under this Act shall be paid into the General
29 Revenue Fund in the State Treasury, except as otherwise
30 provided.

31 (Source: P.A. 90-16, eff. 6-16-97.)

32 Section 75. The Telecommunications Excise Tax Act is
33 amended by changing Section 6 as follows:

34 (35 ILCS 630/6) (from Ch. 120, par. 2006)

1 Sec. 6. Except as provided hereinafter in this Section, on
2 or before the 25th ~~last~~ day of each month, each retailer
3 maintaining a place of business in this State shall make a
4 return to the Department for the preceding calendar month,
5 stating:

6 1. His name;

7 2. The address of his principal place of business, or
8 the address of the principal place of business (if that is
9 a different address) from which he engages in the business
10 of transmitting telecommunications;

11 3. Total amount of gross charges billed by him during
12 the preceding calendar month for providing
13 telecommunications during such calendar month;

14 4. Total amount received by him during the preceding
15 calendar month on credit extended;

16 5. Deductions allowed by law;

17 6. Gross charges which were billed by him during the
18 preceding calendar month and upon the basis of which the
19 tax is imposed;

20 7. Amount of tax (computed upon Item 6);

21 8. Such other reasonable information as the Department
22 may require.

23 Any taxpayer required to make payments under this Section
24 may make the payments by electronic funds transfer. The
25 Department shall adopt rules necessary to effectuate a program
26 of electronic funds transfer. Any taxpayer who has average
27 monthly tax billings due to the Department under this Act and
28 the Simplified Municipal Telecommunications Tax Act that
29 exceed \$1,000 shall make all payments by electronic funds
30 transfer as required by rules of the Department and shall file
31 the return required by this Section by electronic means as
32 required by rules of the Department.

33 If the retailer's average monthly tax billings due to the
34 Department under this Act and the Simplified Municipal
35 Telecommunications Tax Act do not exceed \$1,000, the Department
36 may authorize his returns to be filed on a quarter annual

1 basis, with the return for January, February and March of a
2 given year being due by April 25th ~~30~~ of such year; with the
3 return for April, May and June of a given year being due by
4 July 25th ~~31st~~ of such year; with the return for July, August
5 and September of a given year being due by October 25th ~~31st~~ of
6 such year; and with the return of October, November and
7 December of a given year being due by January 25th ~~31st~~ of the
8 following year.

9 If the retailer is otherwise required to file a monthly or
10 quarterly return and if the retailer's average monthly tax
11 billings due to the Department under this Act and the
12 Simplified Municipal Telecommunications Tax Act do not exceed
13 \$400, the Department may authorize his or her return to be
14 filed on an annual basis, with the return for a given year
15 being due by January 25th ~~31st~~ of the following year.

16 Notwithstanding any other provision of this Article
17 containing the time within which a retailer may file his
18 return, in the case of any retailer who ceases to engage in a
19 kind of business which makes him responsible for filing returns
20 under this Article, such retailer shall file a final return
21 under this Article with the Department not more than one month
22 after discontinuing such business.

23 In making such return, the retailer shall determine the
24 value of any consideration other than money received by him and
25 he shall include such value in his return. Such determination
26 shall be subject to review and revision by the Department in
27 the manner hereinafter provided for the correction of returns.

28 Each retailer whose average monthly liability to the
29 Department under this Article and the Simplified Municipal
30 Telecommunications Tax Act was \$25,000 or more during the
31 preceding calendar year, excluding the month of highest
32 liability and the month of lowest liability in such calendar
33 year, and who is not operated by a unit of local government,
34 shall make estimated payments to the Department on or before
35 the 7th, 15th, 22nd and last day of the month during which tax
36 collection liability to the Department is incurred in an amount

1 not less than the lower of either 22.5% of the retailer's
2 actual tax collections for the month or 25% of the retailer's
3 actual tax collections for the same calendar month of the
4 preceding year. The amount of such quarter monthly payments
5 shall be credited against the final liability of the retailer's
6 return for that month. Any outstanding credit, approved by the
7 Department, arising from the retailer's overpayment of its
8 final liability for any month may be applied to reduce the
9 amount of any subsequent quarter monthly payment or credited
10 against the final liability of the retailer's return for any
11 subsequent month. If any quarter monthly payment is not paid at
12 the time or in the amount required by this Section, the
13 retailer shall be liable for penalty and interest on the
14 difference between the minimum amount due as a payment and the
15 amount of such payment actually and timely paid, except insofar
16 as the retailer has previously made payments for that month to
17 the Department in excess of the minimum payments previously
18 due.

19 The retailer making the return herein provided for shall,
20 at the time of making such return, pay to the Department the
21 amount of tax herein imposed, less a discount of 1% which is
22 allowed to reimburse the retailer for the expenses incurred in
23 keeping records, billing the customer, preparing and filing
24 returns, remitting the tax, and supplying data to the
25 Department upon request. No discount may be claimed by a
26 retailer on returns not timely filed and for taxes not timely
27 remitted. On and after the effective date of this Article of
28 1985, \$1,000,000 of the moneys received by the Department of
29 Revenue pursuant to this Article shall be paid each month into
30 the Common School Fund and the remainder into the General
31 Revenue Fund. On and after February 1, 1998, however, of the
32 moneys received by the Department of Revenue pursuant to the
33 additional taxes imposed by this amendatory Act of 1997
34 one-half shall be deposited into the School Infrastructure Fund
35 and one-half shall be deposited into the Common School Fund. On
36 and after the effective date of this amendatory Act of the 91st

1 General Assembly, if in any fiscal year the total of the moneys
2 deposited into the School Infrastructure Fund under this Act is
3 less than the total of the moneys deposited into that Fund from
4 the additional taxes imposed by Public Act 90-548 during fiscal
5 year 1999, then, as soon as possible after the close of the
6 fiscal year, the Comptroller shall order transferred and the
7 Treasurer shall transfer from the General Revenue Fund to the
8 School Infrastructure Fund an amount equal to the difference
9 between the fiscal year total deposits and the total amount
10 deposited into the Fund in fiscal year 1999.

11 (Source: P.A. 91-541, eff. 8-13-99; 91-870, 6-22-00; 92-526,
12 eff. 1-1-03.)

13 Section 80. The Telecommunications Infrastructure
14 Maintenance Fee Act is amended by changing Sections 10 and 27
15 as follows:

16 (35 ILCS 635/10)

17 Sec. 10. Definitions.

18 (a) "Gross charges" means the amount paid to a
19 telecommunications retailer for the act or privilege of
20 originating or receiving telecommunications in this State and
21 for all services rendered in connection therewith, valued in
22 money whether paid in money or otherwise, including cash,
23 credits, services, and property of every kind or nature, and
24 shall be determined without any deduction on account of the
25 cost of such telecommunications, the cost of the materials
26 used, labor or service costs, or any other expense whatsoever.
27 In case credit is extended, the amount thereof shall be
28 included only as and when paid. "Gross charges" for private
29 line service shall include charges imposed at each channel
30 termination point within this State, charges for the channel
31 mileage between each channel termination point within this
32 State, and charges for that portion of the interstate
33 inter-office channel provided within Illinois. Charges for
34 that portion of the interstate inter-office channel provided in

1 Illinois shall be determined by the retailer as follows: (i)
2 for interstate inter-office channels having 2 channel
3 termination points, only one of which is in Illinois, 50% of
4 the total charge imposed; or (ii) for interstate inter-office
5 channels having more than 2 channel termination points, one or
6 more of which are in Illinois, an amount equal to the total
7 charge multiplied by a fraction, the numerator of which is the
8 number of channel termination points within Illinois and the
9 denominator of which is the total number of channel termination
10 points. Prior to January 1, 2004, any method consistent with
11 this paragraph or other method that reasonably apportions the
12 total charges for interstate inter-office channels among the
13 states in which channel terminations points are located shall
14 be accepted as a reasonable method to determine the charges for
15 that portion of the interstate inter-office channel provided
16 within Illinois for that period. However, "gross charges" shall
17 not include any of the following:

18 (1) Any amounts added to a purchaser's bill because of
19 a charge made under: (i) the fee imposed by this Section,
20 (ii) additional charges added to a purchaser's bill under
21 Section 9-221 or 9-222 of the Public Utilities Act, (iii)
22 the tax imposed by the Telecommunications Excise Tax Act,
23 (iv) 911 surcharges, (v) the tax imposed by Section 4251 of
24 the Internal Revenue Code, or (vi) the tax imposed by the
25 Simplified Municipal Telecommunications Tax Act.

26 (2) Charges for a sent collect telecommunication
27 received outside of this State.

28 (3) Charges for leased time on equipment or charges for
29 the storage of data or information or subsequent retrieval
30 or the processing of data or information intended to change
31 its form or content. Such equipment includes, but is not
32 limited to, the use of calculators, computers, data
33 processing equipment, tabulating equipment, or accounting
34 equipment and also includes the usage of computers under a
35 time-sharing agreement.

36 (4) Charges for customer equipment, including such

1 equipment that is leased or rented by the customer from any
2 source, wherein such charges are disaggregated and
3 separately identified from other charges.

4 (5) Charges to business enterprises certified under
5 Section 9-222.1 of the Public Utilities Act to the extent
6 of such exemption and during the period of time specified
7 by the Department of Commerce and Economic Opportunity
8 ~~Community Affairs~~.

9 (6) Charges for telecommunications and all services
10 and equipment provided in connection therewith between a
11 parent corporation and its wholly owned subsidiaries or
12 between wholly owned subsidiaries, and only to the extent
13 that the charges between the parent corporation and wholly
14 owned subsidiaries or between wholly owned subsidiaries
15 represent expense allocation between the corporations and
16 not the generation of profit other than a regulatory
17 required profit for the corporation rendering such
18 services.

19 (7) Bad debts ("bad debt" means any portion of a debt
20 that is related to a sale at retail for which gross charges
21 are not otherwise deductible or excludable that has become
22 worthless or uncollectible, as determined under applicable
23 federal income tax standards; if the portion of the debt
24 deemed to be bad is subsequently paid, the retailer shall
25 report and pay the tax on that portion during the reporting
26 period in which the payment is made).

27 (8) Charges paid by inserting coins in coin-operated
28 telecommunication devices.

29 (9) Charges for nontaxable services or
30 telecommunications if (i) those charges are aggregated
31 with other charges for telecommunications that are
32 taxable, (ii) those charges are not separately stated on
33 the customer bill or invoice, and (iii) the retailer can
34 reasonably identify the nontaxable charges on the
35 retailer's books and records kept in the regular course of
36 business. If the nontaxable charges cannot reasonably be

1 identified, the gross charge from the sale of both taxable
2 and nontaxable services or telecommunications billed on a
3 combined basis shall be attributed to the taxable services
4 or telecommunications. The burden of proving nontaxable
5 charges shall be on the retailer of the telecommunications.

6 (a-5) "Department" means the Illinois Department of
7 Revenue.

8 (b) "Telecommunications" includes, but is not limited to,
9 messages or information transmitted through use of local, toll,
10 and wide area telephone service, channel services, telegraph
11 services, teletypewriter service, computer exchange services,
12 private line services, specialized mobile radio services, or
13 any other transmission of messages or information by electronic
14 or similar means, between or among points by wire, cable, fiber
15 optics, laser, microwave, radio, satellite, or similar
16 facilities. Unless the context clearly requires otherwise,
17 "telecommunications" shall also include wireless
18 telecommunications as hereinafter defined.
19 "Telecommunications" shall not include value added services in
20 which computer processing applications are used to act on the
21 form, content, code, and protocol of the information for
22 purposes other than transmission. "Telecommunications" shall
23 not include purchase of telecommunications by a
24 telecommunications service provider for use as a component part
25 of the service provided by him or her to the ultimate retail
26 consumer who originates or terminates the end-to-end
27 communications. Retailer access charges, right of access
28 charges, charges for use of intercompany facilities, and all
29 telecommunications resold in the subsequent provision and used
30 as a component of, or integrated into, end-to-end
31 telecommunications service shall not be included in gross
32 charges as sales for resale. "Telecommunications" shall not
33 include the provision of cable services through a cable system
34 as defined in the Cable Communications Act of 1984 (47 U.S.C.
35 Sections 521 and following) as now or hereafter amended or
36 through an open video system as defined in the Rules of the

1 Federal Communications Commission (47 C.D.F. 76.1550 and
2 following) as now or hereafter amended. Beginning January 1,
3 2001, prepaid telephone calling arrangements shall not be
4 considered "telecommunications" subject to the tax imposed
5 under this Act. For purposes of this Section, "prepaid
6 telephone calling arrangements" means that term as defined in
7 Section 2-27 of the Retailers' Occupation Tax Act.

8 (c) "Wireless telecommunications" includes cellular mobile
9 telephone services, personal wireless services as defined in
10 Section 704(C) of the Telecommunications Act of 1996 (Public
11 Law No. 104-104) as now or hereafter amended, including all
12 commercial mobile radio services, and paging services.

13 (d) "Telecommunications retailer" or "retailer" or
14 "carrier" means and includes every person engaged in the
15 business of making sales of telecommunications at retail as
16 defined in this Section. The Department may, in its discretion,
17 upon applications, authorize the collection of the fee hereby
18 imposed by any retailer not maintaining a place of business
19 within this State, who, to the satisfaction of the Department,
20 furnishes adequate security to insure collection and payment of
21 the fee. When so authorized, it shall be the duty of such
22 retailer to pay the fee upon all of the gross charges for
23 telecommunications in the same manner and subject to the same
24 requirements as a retailer maintaining a place of business
25 within this State.

26 (e) "Retailer maintaining a place of business in this
27 State", or any like term, means and includes any retailer
28 having or maintaining within this State, directly or by a
29 subsidiary, an office, distribution facilities, transmission
30 facilities, sales office, warehouse, or other place of
31 business, or any agent or other representative operating within
32 this State under the authority of the retailer or its
33 subsidiary, irrespective of whether such place of business or
34 agent or other representative is located here permanently or
35 temporarily, or whether such retailer or subsidiary is licensed
36 to do business in this State.

1 (f) "Sale of telecommunications at retail" means the
2 transmitting, supplying, or furnishing of telecommunications
3 and all services rendered in connection therewith for a
4 consideration to persons ~~7~~ other than the federal government,
5 the State, or any university created by statute and other than
6 between a parent corporation and its wholly owned subsidiaries
7 or between wholly owned subsidiaries, when the gross charge
8 made by one such corporation to another such corporation is not
9 greater than the gross charge paid to the retailer for their
10 use or consumption and not for sale.

11 (g) "Service address" means the location of
12 telecommunications equipment from which telecommunications
13 services are originated or at which telecommunications
14 services are received. If this is not a defined location, as in
15 the case of wireless telecommunications, paging systems,
16 maritime systems, service address means the customer's place of
17 primary use as defined in the Mobile Telecommunications
18 Sourcing Conformity Act. For air-to-ground systems, and the
19 like, "service address" shall mean the location of the
20 customer's primary use of the telecommunications equipment as
21 defined by the location in Illinois where bills are sent.

22 (Source: P.A. 92-474, eff. 8-1-02; 92-526, eff. 1-1-03; 92-878,
23 eff. 1-1-04; 93-286, eff. 1-1-04; revised 12-6-03.)

24 (35 ILCS 635/27)

25 Sec. 27. Returns by telecommunications retailer;
26 extensions. Except as provided hereinafter in this Section, on
27 or before the 25th ~~30th~~ day of each month each
28 telecommunications retailer maintaining a place of business in
29 this State shall make a return and payment of fees to the
30 Department for the preceding calendar month on a form
31 prescribed and furnished by the Department. The return shall be
32 signed by the telecommunications retailer under penalties of
33 perjury and shall contain the following information:

- 34 1. His or her name;
- 35 2. The address of his or her principal place of

1 business, or the address of the principal place of business
2 (if that is a different address) from which he or she
3 engages in the business of transmitting
4 telecommunications;

5 3. The total amount of gross charges charged by him or
6 her during the preceding calendar month for providing
7 telecommunications during such calendar month;

8 4. The total amount received by him or her during the
9 preceding calendar month on credit extended;

10 5. Deductions allowed by law;

11 6. Gross charges that were charged by him or her during
12 the preceding calendar month and upon the basis of which
13 the State infrastructure maintenance fee is imposed;

14 7. (Blank);

15 8. Amounts of fees due;

16 9. Such other reasonable information as the Department
17 may require.

18 If the telecommunications retailer's average monthly
19 liability to the Department does not exceed \$200 ~~\$100~~, the
20 Department may authorize his or her returns to be filed on a
21 quarter annual basis, with the return for January, February,
22 and March of a given year being due by April 30th ~~15~~ of such
23 year; with the return for April, May, and June of a given year
24 being due by July 31st ~~15~~ of such year; with the return for
25 July, August, and September of a given year being due by
26 October 31st ~~15~~ of such year; and with the return of October,
27 November, and December of a given year being due by January
28 31st ~~15~~ of the following year.

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

1 In making such return, the telecommunications retailer
2 shall determine the value of any consideration other than money
3 received by him or her and he or she shall include such value
4 in his or her return. Such determination shall be subject to
5 review and revision by the Department in the manner hereinafter
6 provided for the correction of returns.

7 If any payment provided for in this Section exceeds the
8 telecommunications retailer's liabilities under this Act, as
9 shown on an original monthly return, the Department may
10 authorize the telecommunications retailer to credit such
11 excess payment against liability subsequently to be remitted to
12 the Department under this Act, in accordance with reasonable
13 rules and regulations prescribed by the Department. If the
14 Department subsequently determines that all or any part of the
15 credit taken was not actually due to the telecommunications
16 retailer, the telecommunications retailer's 2% discount shall
17 be reduced by 2% of the difference between the credit taken and
18 that actually due, and that telecommunications retailer shall
19 be liable for penalties and interest on such difference.

20 Any telecommunications retailer required to make payments
21 under this Section may make the payments by electronic funds
22 transfer. The Department shall adopt rules necessary to
23 effectuate a program of electronic funds transfer.

24 (Source: P.A. 92-526, eff. 1-1-03.)

25 Section 85. The Simplified Municipal Telecommunications
26 Tax Act is amended by changing Sections 5-42 and 5-50 as
27 follows:

28 (35 ILCS 636/5-42)

29 Sec. 5-42. Procedure for determining proper tax
30 jurisdiction.

31 (a) Tax jurisdiction information provided by a
32 municipality upon written request from a telecommunications
33 retailer. For purposes of this subsection (a),
34 "telecommunications retailer" does not include retailers

1 providing Commercial Mobile Radio Service as the term is used
2 in the Mobile Telecommunications Sourcing Act.

3 (1) A municipality may provide, within 30 days
4 following receipt of a written request from a
5 telecommunications retailer, the following:

6 (A) A list containing each street name, known
7 street name aliases, street address number ranges,
8 applicable directionals, and zip codes associated with
9 each street name, for all street addresses located
10 within the municipality. For a range of street address
11 numbers located within a municipality that consists
12 only of odd or even street numbers, the list must
13 specify whether the street numbers in the range are odd
14 or even. The list shall be alphabetical, except that
15 numbered streets shall be in numerical sequence.

16 (B) A list containing each postal zip code and all
17 the city names associated therewith for all zip codes
18 assigned to geographic areas located entirely within
19 the municipality, including zip codes assigned to
20 rural route boxes.

21 (C) A sequential list containing all rural route
22 box number ranges and the city names and zip codes
23 associated therewith, for all rural route boxes
24 located within the municipality, except that rural
25 route boxes with postal zip codes entirely within the
26 municipality that are included on the list furnished
27 under paragraph (B) need not be duplicated.

28 (D) The lists shall be printed. If a list is
29 available through another medium, however, the
30 municipality shall, upon request, furnish the list
31 through such medium in addition to or in lieu of the
32 printed lists. The municipality shall be responsible
33 for updating the lists as changes occur and for
34 furnishing this information to all telecommunications
35 retailers affected by the changes. Each update shall
36 specify an effective date, which shall be the next

1 ensuing January 1, April 1, July 1, or October 1; shall
2 be furnished to the telecommunications retailer not
3 less than 60 days prior to the effective date; and
4 shall identify the additions, deletions, and other
5 changes to the preceding version of the list. If the
6 information is received less than 60 days prior to the
7 effective date of the change, the telecommunications
8 retailer has until the next ensuing January 1, April 1,
9 July 1, or October 1 to make the appropriate changes.

10 Nothing in this subsection (a) shall prevent a
11 municipality from providing a telecommunications retailer
12 with the information set forth in this subdivision (a)(1)
13 in the absence of a written request from the
14 telecommunications retailer.

15 (2) The telecommunications retailer shall be
16 responsible for charging the tax to the service addresses
17 contained in the lists requested under subdivision (a)(1)
18 that include all of the elements required by this Section.
19 If a service address is not included in the list or if no
20 list is provided, the telecommunications retailer shall be
21 held harmless from situsing errors provided it uses a
22 reasonable methodology to assign the service address or
23 addresses to a local tax jurisdiction. The
24 telecommunications retailer shall be held harmless for any
25 tax overpayments or underpayments (including penalty or
26 interest) resulting from written information provided by
27 the municipality or, in the case of disputes, the
28 Department. If a municipality is aware of a situsing error
29 in a telecommunications retailer's records, the
30 municipality may file a written notification to the
31 telecommunications retailer at an address specified by the
32 telecommunications retailer describing the street address
33 or addresses that are incorrect and, if known, the affected
34 customer name or names and account number or numbers. If
35 another jurisdiction is claiming the same street address or
36 addresses that are the subject of the notification, the

1 telecommunications retailer must notify the Department as
2 specified in subdivision (a)(3) of this Section,
3 otherwise, the telecommunications retailer shall make such
4 correction to its records within 90 days. The
5 telecommunications retailer shall provide a printed list
6 of all service addresses for each municipality upon request
7 from either the Department of Revenue or each municipal
8 government where service is provided. This list shall
9 contain each street name, street address number,
10 applicable directionals, municipality name, and zip codes
11 associated with each service address. If a list is
12 available through another medium, however, the provider
13 shall, upon request, from either the Department of Revenue
14 or a municipal government where service is provided,
15 furnish the list through that medium in addition to or in
16 lieu of the printed list. Each telecommunication provider
17 must submit annually a telephone number and contact name of
18 the person or responsible party for resolving issues
19 connected to reporting of activity in each service area to
20 the Department of Revenue in a format prescribed by the
21 Department.

22 (3) If it is determined from the lists or updates
23 furnished under subdivision (a)(1) that more than one
24 municipality claims the same address or group of addresses,
25 the telecommunications retailer shall notify the
26 Department within 60 days of discovering the discrepancy.
27 After notification and until resolution, the
28 telecommunications retailer will continue its prior tax
29 treatment and will be held harmless for any tax, penalty,
30 and interest in the event the prior tax treatment is wrong.
31 Upon resolution, the Department will notify the
32 telecommunications retailer in a written form describing
33 the resolution. Upon receipt of the resolution, the
34 telecommunications retailer has until the next ensuing
35 January 1, April 1, July 1, or October 1 to make the
36 change.

1 (4) Municipalities shall notify any telecommunications
2 retailer that has previously requested a list under
3 subdivision (a)(1) of this Section of any annexations,
4 de-annexations, or other boundary changes at least 60 days
5 after the effective date of such changes. The notification
6 shall contain each street name, known street name aliases,
7 street address number ranges, applicable directionals, and
8 zip codes associated with each street name, for all street
9 addresses for which a change has occurred. The notice shall
10 be mailed to an address designated by the
11 telecommunications retailer. The telecommunications
12 retailer has until the next ensuing January 1, April 1,
13 July 1, or October 1 to make the changes described in such
14 notification.

15 (b) The safe harbor provisions, Sections 40 and 45 of the
16 Mobile Telecommunications Sourcing Conformity Act, shall apply
17 to any telecommunications retailer electing to employ enhanced
18 zip codes (zip+4) to assign each street address, address range,
19 rural route box, or rural route box range in their service area
20 to a specific municipal tax jurisdiction, except as provided
21 under subdivision (c)(5). A telecommunications retailer shall
22 make its election as prescribed by rules adopted by the
23 Department.

24 (c) Persons who believe that they are improperly being
25 charged a tax imposed under this Act because their service
26 address is assigned to the wrong taxing jurisdiction shall file
27 a written complaint with their telecommunications (mobile or
28 non-mobile) retailer. The written complaint shall include the
29 street address for her or his place of primary use for mobile
30 telecommunications service or the service address for
31 non-mobile telecommunications, the name and address of the
32 telecommunications retailer who is collecting the tax imposed
33 by this Act, the account name and number for which the person
34 seeks a correction of the tax assignment, a description of the
35 error asserted by that person, an estimated amount of tax
36 claimed to have been incorrectly paid, the time period for

1 which that amount of tax applies, and any other information
2 that the telecommunications retailer may reasonably require to
3 process the request. For purposes of this Section, the terms
4 "place of primary use" and "mobile telecommunications service"
5 shall have the same meanings as those terms are defined in the
6 Mobile Telecommunications Sourcing Conformity Act.

7 Within 60 days after receiving the complaint under this
8 subsection (c), the telecommunications retailer shall review
9 its records, the written complaint, any information submitted
10 by the affected municipality or municipalities, and the
11 electronic database, if existing, or enhanced zip code used
12 pursuant to Section 25 or 40 of the Mobile Telecommunications
13 Sourcing Conformity Act to determine the customer's taxing
14 jurisdiction. If this review shows that the amount of tax,
15 assignment of place of primary use or service address, or
16 taxing jurisdiction is in error, the telecommunications
17 retailer shall correct the error and refund or credit the
18 amount of tax erroneously collected from the customer for the
19 period still available for the filing of a claim for credit or
20 refund by the telecommunications retailer under this Act. If
21 this review shows that the amount of tax, assignment of place
22 of primary use or service address, or taxing jurisdiction is
23 correct, the telecommunications retailer shall provide a
24 written explanation to the person from whom the notice was
25 received.

26 (1) If the person is dissatisfied with the response
27 from the telecommunications retailer, the customer may
28 request a written determination from the Department on a
29 form prescribed by the Department. The request shall
30 contain the same information as was provided to the
31 telecommunications retailer. The Department shall review
32 the request for determination and make all reasonable
33 efforts to determine if such person's place of primary use
34 for mobile telecommunications service or the service
35 address for non-mobile telecommunications is located
36 within the jurisdictional boundaries of the municipality

1 for which the person is being charged tax under this Act.
2 Upon request by the Department, municipalities that have
3 imposed a tax under this Act shall have 30 days to provide
4 information to the Department regarding such requests for
5 determination via certified mail.

6 (2) Within 90 days after receipt of a request for
7 determination under subdivision (c)(1) of this Section,
8 the Department shall issue a letter of determination to the
9 person stating whether that person's place of primary use
10 for mobile telecommunications service or the service
11 address for non-mobile telecommunications is located
12 within the jurisdictional boundaries of the municipality
13 for which the person is being charged tax under this Act or
14 naming the proper municipality, if different. The
15 Department shall also list in the letter of determination,
16 if the municipality has provided that information to the
17 Department, the Department's findings as to the limit of
18 the jurisdictional boundary (street address range) for the
19 municipality in relation to the street address listed in
20 the request for a letter of determination. A copy of such
21 letter of determination shall be provided by the Department
22 to the telecommunications retailer listed on the request
23 for determination. The copy shall be sent via mail to an
24 address designated by the telecommunications retailer.

25 (3) If the municipality or municipalities fail to
26 respond as set forth in subdivision (c)(1), then the
27 complaining person will no longer be subject to the tax
28 imposed under this Act. The Department shall notify the
29 relevant telecommunications retailer in writing of the
30 automatic determination and also list its findings as to
31 the street address listed in the request for a letter of
32 determination. Upon receipt of the notice of automatic
33 determination, the telecommunications retailer shall
34 correct its records and refund or credit the amount of tax
35 determined to have been paid by such person for the period
36 still available for the filing of a claim for credit or

1 refund by the telecommunications retailer under this Act. A
2 copy of the letter of determination shall be provided by
3 the Department to the telecommunications retailer listed
4 on the request for determination at an address designated
5 by the telecommunications retailer.

6 (4) If the telecommunications retailer receives a copy
7 of the letter of determination from the Department
8 described in subdivision (c) (2) of this Section that states
9 that such person's place of primary use for mobile
10 telecommunications service or the service address for
11 non-mobile telecommunications is not located within the
12 jurisdictional boundaries of the municipality for which
13 that person is being charged tax under this Act and that
14 provides the correct tax jurisdiction for the particular
15 street address, the telecommunications retailer shall
16 correct the error and refund or credit the amount of tax
17 determined to have been paid in error by such person up to
18 the period still available for the filing of a claim for
19 credit or refund by the telecommunications retailer under
20 this Act. The telecommunications retailer shall retain
21 such copy of the letter of determination in its books and
22 records and shall be held harmless for any tax, penalty, or
23 interest due as a result of its reliance on such
24 determination. If the Department subsequently receives
25 information that discloses that such service addresses or
26 places of primary use on that street are within the
27 jurisdictional boundaries of a municipality other than the
28 one specified in the previous letter, the Department shall
29 notify the telecommunications retailer and the
30 telecommunications customer in writing that the
31 telecommunications retailer is to begin collecting tax for
32 a specified municipality on the accounts associated with
33 those service addresses or places of primary use.
34 Notification to begin collecting tax on such accounts sent
35 by the Department to the telecommunications retailers on or
36 after October 1 and prior to January 1 shall be effective

1 the following April 1. Notification to begin collecting tax
2 on such accounts sent by the Department to the
3 telecommunications retailers on or after January 1 and
4 prior to April 1 shall be effective the following July 1.
5 Notification to begin collecting tax on such accounts sent
6 by the Department to the telecommunications retailers on or
7 after April 1 and prior to July 1 shall be effective the
8 following October 1. Notification to begin collecting tax
9 on such accounts sent by the Department to the
10 telecommunications retailers on or after July 1 and prior
11 to October 1 shall be effective the following January 1.

12 (5) If the telecommunications retailer receives a copy
13 of the letter of determination from the Department
14 described in subdivisions (c) (2), (c) (3), or (c) (4) of this
15 Section that states that such person's place of primary use
16 for mobile telecommunications service or the service
17 address for non-mobile telecommunications is not located
18 within the jurisdictional boundaries of the municipality
19 for which that person is being charged tax under this Act
20 and the telecommunications retailer fails to correct the
21 error and refund or credit the appropriate amount of tax
22 paid in error within the time period prescribed in
23 subdivisions (c) (3) and (c) (4), the telecommunications
24 retailer shall not be held harmless for any tax, penalty,
25 or interest due the Department as a result of the error.

26 (6) The procedures in this subsection (c) shall be the
27 first course of remedy available to customers seeking
28 correction of assignment of service address, place of
29 primary use, taxing jurisdiction, an amount of tax paid
30 erroneously, or other compensation for taxes, charges, or
31 fees erroneously collected by a telecommunications
32 retailer. No cause of action based upon a dispute arising
33 from these taxes, charges, or fees shall accrue until a
34 customer has reasonably exercised the rights and
35 procedures set forth in this subsection (c). If a customer
36 is not satisfied after exercising the rights and following

1 the procedures set forth in this subsection (c), the
2 customer shall have the normal cause of action available
3 under the law to recover any tax, penalty, or interest from
4 the telecommunications retailer.

5 (d) The provisions of this Section shall not apply to a
6 municipality that directly receives collected tax revenue from
7 a retailer pursuant to subsection (b) of Section 5-40. A
8 municipality that receives tax revenue pursuant to subsection
9 (b) of Section 5-40 for telecommunications other than mobile
10 telecommunications service, as that term is defined in the
11 Mobile Telecommunications Sourcing Conformity Act, shall
12 establish a procedure to remedy the complaints of persons who
13 believe they are being improperly taxed, which should consider
14 the requirements set forth in subsection (c) of this Section.
15 (Source: P.A. 92-602, eff. 7-1-02.)

16 (35 ILCS 636/5-50)

17 Sec. 5-50. Returns to the Department.

18 (a) Commencing on February 1, 2003, for the tax imposed
19 under subsection (a) of Section 5-20 of this Act, every
20 retailer maintaining a place of business in this State shall,
21 on or before the last day of each month make a return to the
22 Department for the preceding calendar month, after June 30,
23 2006, for the tax imposed under subsection (a) of Section 5-20
24 of this Act, every retailer maintaining a place of business in
25 this State shall, on or before the 25th day of each month, make
26 a return to the Department for the preceding calendar month
27 stating:

28 (1) Its name;

29 (2) The address of its principal place of business or
30 the address of the principal place of business (if that is
31 a different address) from which it engages in the business
32 of transmitting telecommunications;

33 (3) Total amount of gross charges billed by it during
34 the preceding calendar month for providing
35 telecommunications during the calendar month;

1 (4) Total amount received by it during the preceding
2 calendar month on credit extended;

3 (5) Deductions allowed by law;

4 (6) Gross charges that were billed by it during the
5 preceding calendar month and upon the basis of which the
6 tax is imposed;

7 (7) Amount of tax (computed upon Item 6);

8 (8) The municipalities to which the Department shall
9 remit the taxes and the amount of such remittances;

10 (9) Such other reasonable information as the
11 Department may require.

12 (b) Any retailer required to make payments under this
13 Section may make the payments by electronic funds transfer. The
14 Department shall adopt rules necessary to effectuate a program
15 of electronic funds transfer. Any retailer who has average
16 monthly tax billings due to the Department under this Act and
17 the Telecommunications Excise Tax Act that exceed \$1,000 shall
18 make all payments by electronic funds transfer as required by
19 rules of the Department.

20 (c) If the retailer's average monthly tax billings due to
21 the Department under this Act and the Telecommunications Excise
22 Tax Act do not exceed \$1,000, the Department may authorize such
23 retailer's returns to be filed on a quarter-annual basis, with
24 the return for January, February, and March of a given year
25 being due by April 30th of that year; with the return for
26 April, May, and June of a given year being due by July 31st of
27 that year; with the return for July, August, and September of a
28 given year being due by October 31st of that year; and with the
29 return for October, November, and December of a given year
30 being due by January 31st of the following year. After June 30,
31 2006, if the retailer's average monthly tax billings due to the
32 Department under this Act and the Telecommunications Excise Tax
33 Act do not exceed \$1,000, the Department may authorize the
34 retailer's returns to be filed on a quarter-annual basis, with
35 the return for January, February, and March of a given year
36 being due by April 25th of that year; with the return for

1 April, May, and June of a given year being due by July 25th of
2 that year; with the return for July, August, and September of a
3 given year being due by October 25th of that year; and with the
4 return for October, November, and December of a given year
5 being due by January 25th of the following year.

6 (d) If the retailer is otherwise required to file a monthly
7 or quarterly return and if the retailer's average monthly tax
8 billings due to the Department under this Act and the
9 Telecommunications Excise Tax Act do not exceed \$400, the
10 Department may authorize such retailer's return to be filed on
11 an annual basis, with the return for a given year being due by
12 January 31st of the following year. After June 30, 2006, if the
13 retailer is otherwise required to file a monthly or quarterly
14 return and if the retailer's average monthly tax billings due
15 to the Department under this Act and the Telecommunications
16 Excise Tax Act do not exceed \$400, the Department may authorize
17 the retailer's return to be filed on an annual bases, with the
18 return for a given year being due by January 25th of the
19 following year.

20 (e) Each retailer whose average monthly remittance to the
21 Department under this Act and the Telecommunications Excise Tax
22 Act was \$25,000 or more during the preceding calendar year,
23 excluding the month of highest remittance and the month of
24 lowest remittance in such calendar year, and who is not
25 operated by a unit of local government, shall make estimated
26 payments to the Department on or before the 7th, 15th, 22nd,
27 and last day of the month during which the tax remittance is
28 owed to the Department in an amount not less than the lower of
29 either 22.5% of the retailer's actual tax collections for the
30 month or 25% of the retailer's actual tax collections for the
31 same calendar month of the preceding year. The amount of such
32 quarter-monthly payments shall be credited against the final
33 remittance of the retailer's return for that month. Any
34 outstanding credit, approved by the Department, arising from
35 the retailer's overpayment of its final remittance for any
36 month may be applied to reduce the amount of any subsequent

1 quarter-monthly payment or credited against the final
2 remittance of the retailer's return for any subsequent month.
3 If any quarter-monthly payment is not paid at the time or in
4 the amount required by this Section, the retailer shall be
5 liable for penalty and interest on the difference between the
6 minimum amount due as a payment and the amount of such payment
7 actually and timely paid, except insofar as the retailer has
8 previously made payments for that month to the Department or
9 received credits in excess of the minimum payments previously
10 due.

11 (f) Notwithstanding any other provision of this Section
12 containing the time within which a retailer may file his or her
13 return, in the case of any retailer who ceases to engage in a
14 kind of business that makes him or her responsible for filing
15 returns under this Section, the retailer shall file a final
16 return under this Section with the Department not more than one
17 month after discontinuing such business.

18 (g) In making such return, the retailer shall determine the
19 value of any consideration other than money received by it and
20 such retailer shall include the value in its return. Such
21 determination shall be subject to review and revision by the
22 Department in the manner hereinafter provided for the
23 correction of returns.

24 (h) Any retailer who has average monthly tax billings due
25 to the Department under this Act and the Telecommunications
26 Excise Tax Act that exceed \$1,000 shall file the return
27 required by this Section by electronic means as required by
28 rules of the Department.

29 (i) The retailer filing the return herein provided for
30 shall, at the time of filing the return, pay to the Department
31 the amounts due pursuant to this Act. The Department shall
32 immediately pay over to the State Treasurer, ex officio, as
33 trustee, 99.5% of all taxes, penalties, and interest collected
34 hereunder for deposit into the Municipal Telecommunications
35 Fund, which is hereby created. The remaining 0.5% received by
36 the Department pursuant to this Act shall be deposited into the

1 Tax Compliance and Administration Fund and shall be used by the
2 Department, subject to appropriation, to cover the costs of the
3 Department.

4 On or before the 25th day of each calendar month, the
5 Department shall prepare and certify to the Comptroller the
6 disbursement of stated sums of money to be paid to named
7 municipalities from the Municipal Telecommunications Fund for
8 amounts collected during the second preceding calendar month.
9 The named municipalities shall be those municipalities
10 identified by a retailer in such retailer's return as having
11 imposed the tax authorized by the Act. The amount of money to
12 be paid to each municipality shall be the amount (not including
13 credit memoranda) collected hereunder during the second
14 preceding calendar month by the Department, plus an amount the
15 Department determines is necessary to offset any amounts that
16 were erroneously ~~erronenously~~ paid to a different taxing body,
17 and not including an amount equal to the amount of refunds made
18 during the second preceding calendar month by the Department on
19 behalf of such municipality, and not including any amount that
20 the Department determines is necessary to offset any amount
21 that were payable to a different taxing body but were
22 erroneously paid to the municipality. Within 10 days after
23 receipt by the Comptroller of the disbursement certification
24 from the Department, the Comptroller shall cause the orders to
25 be drawn for the respective amounts in accordance with the
26 directions contained in the certification. When certifying to
27 the Comptroller the amount of a monthly disbursement to a
28 municipality under this Section, the Department shall increase
29 or decrease the amount by an amount necessary to offset any
30 misallocation of previous disbursements. The offset amount
31 shall be the amount erroneously disbursed within the previous 6
32 months from the time a misallocation is discovered.

33 (j) For municipalities with populations of less than
34 500,000, whenever the Department determines that a refund shall
35 be made under this Section to a claimant instead of issuing a
36 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the order to be drawn for the
2 amount specified and to the person named in the notification
3 from the Department. The refund shall be paid by the State
4 Treasurer out of the Municipal Telecommunications Fund.

5 (Source: P.A. 92-526, eff. 7-1-02; revised 2-17-03.)

6 Section 90. The Electricity Excise Tax Law is amended by
7 changing Sections 2-9, 2-11, and 2-12 as follows:

8 (35 ILCS 640/2-9)

9 Sec. 2-9. Return and payment of tax by delivering supplier.
10 Each delivering supplier who is required or authorized to
11 collect the tax imposed by this Law shall make a return to the
12 Department on or before the last ~~15th~~ day of each month for the
13 preceding calendar month stating the following:

14 (1) The delivering supplier's name.

15 (2) The address of the delivering supplier's principal
16 place of business or ~~and~~ the address of the principal place
17 of business (if that is a different address) from which the
18 delivering supplier engaged in the business of delivering
19 electricity in this State.

20 (3) The total number of kilowatt-hours which the
21 supplier delivered to or for purchasers during the
22 preceding calendar month and upon the basis of which the
23 tax is imposed.

24 (4) Amount of tax, computed upon Item (3) at the rates
25 stated in Section 2-4.

26 (5) An adjustment for uncollectible amounts of tax in
27 respect of prior period kilowatt-hour deliveries,
28 determined in accordance with rules and regulations
29 promulgated by the Department.

30 (5.5) The amount of credits to which the taxpayer is
31 entitled on account of purchases made under Section 8-403.1
32 of the Public Utilities Act.

33 (6) Such other information as the Department
34 reasonably may require.

1 In making such return the delivering supplier may use any
2 reasonable method to derive reportable "kilowatt-hours" from
3 the delivering supplier's records.

4 If the average monthly tax liability to the Department of
5 the delivering supplier does not exceed \$2,500, the Department
6 may authorize the delivering supplier's returns to be filed on
7 a quarter-annual basis, with the return for January, February
8 and March of a given year being due by April 30 of such year;
9 with the return for April, May and June of a given year being
10 due by July 31 of such year; with the return for July, August
11 and September of a given year being due by October 31 of such
12 year; and with the return for October, November and December of
13 a given year being due by January 31 of the following year.

14 If the average monthly tax liability to the Department of
15 the delivering supplier does not exceed \$1,000, the Department
16 may authorize the delivering supplier's returns to be filed on
17 an annual basis, with the return for a given year being due by
18 January 31 of the following year.

19 Such quarter-annual and annual returns, as to form and
20 substance, shall be subject to the same requirements as monthly
21 returns.

22 Notwithstanding any other provision in this Law concerning
23 the time within which a delivering supplier may file a return,
24 any such delivering supplier who ceases to engage in a kind of
25 business which makes the person responsible for filing returns
26 under this Law shall file a final return under this Law with
27 the Department not more than one month after discontinuing such
28 business.

29 Each delivering supplier whose average monthly liability
30 to the Department under this Law was \$25,000 ~~\$10,000~~ or more
31 during the preceding calendar year, excluding the month of
32 highest liability and the month of lowest liability in such
33 calendar year, and who is not operated by a unit of local
34 government, shall make estimated payments to the Department on
35 or before the 7th, 15th, 22nd and last day of the month during
36 which tax liability to the Department is incurred in an amount

1 not less than the lower of either 22.5% of such delivering
2 supplier's actual tax liability for the month or 25% of such
3 delivering supplier's actual tax liability for the same
4 calendar month of the preceding year. The amount of such
5 quarter-monthly payments shall be credited against the final
6 tax liability of such delivering supplier's return for that
7 month. An outstanding credit approved by the Department or a
8 credit memorandum issued by the Department arising from such
9 delivering supplier's overpayment of his or her final tax
10 liability for any month may be applied to reduce the amount of
11 any subsequent quarter-monthly payment or credited against the
12 final tax liability of such delivering supplier's return for
13 any subsequent month. If any quarter-monthly payment is not
14 paid at the time or in the amount required by this Section,
15 such delivering supplier shall be liable for penalty and
16 interest on the difference between the minimum amount due as a
17 payment and the amount of such payment actually and timely
18 paid, except insofar as such delivering supplier has previously
19 made payments for that month to the Department in excess of the
20 minimum payments previously due.

21 If the Director finds that the information required for the
22 making of an accurate return cannot reasonably be compiled by
23 such delivering supplier within 15 days after the close of the
24 calendar month for which a return is to be made, the Director
25 may grant an extension of time for the filing of such return
26 for a period not to exceed 31 calendar days. The granting of
27 such an extension may be conditioned upon the deposit by such
28 delivering supplier with the Department of an amount of money
29 not exceeding the amount estimated by the Director to be due
30 with the return so extended. All such deposits shall be
31 credited against such delivering supplier's liabilities under
32 this Law. If the deposit exceeds such delivering supplier's
33 present and probable future liabilities under this Law, the
34 Department shall issue to such delivering supplier a credit
35 memorandum, which may be assigned by such delivering supplier
36 to a similar person under this Law, in accordance with

1 reasonable rules and regulations to be prescribed by the
2 Department.

3 The delivering supplier making the return provided for in
4 this Section shall, at the time of making such return, pay to
5 the Department the amount of tax imposed by this Law.

6 Until October 1, 2002, a delivering supplier who has an
7 average monthly tax liability of \$10,000 or more shall make all
8 payments required by rules of the Department by electronic
9 funds transfer. The term "average monthly tax liability" shall
10 be the sum of the delivering supplier's liabilities under this
11 Law for the immediately preceding calendar year divided by 12.
12 Beginning on October 1, 2002, a taxpayer who has a tax
13 liability in the amount set forth in subsection (b) of Section
14 2505-210 of the Department of Revenue Law shall make all
15 payments required by rules of the Department by electronic
16 funds transfer. Any delivering supplier not required to make
17 payments by electronic funds transfer may make payments by
18 electronic funds transfer with the permission of the
19 Department. All delivering suppliers required to make payments
20 by electronic funds transfer and any delivering suppliers
21 authorized to voluntarily make payments by electronic funds
22 transfer shall make those payments in the manner authorized by
23 the Department.

24 Through June 30, 2004, each month the Department shall pay
25 into the Public Utility Fund in the State treasury an amount
26 determined by the Director to be equal to 3.0% of the funds
27 received by the Department pursuant to this Section. Through
28 June 30, 2004, the remainder of all moneys received by the
29 Department under this Section shall be paid into the General
30 Revenue Fund in the State treasury. Beginning on July 1, 2004,
31 of the 3% of the funds received pursuant to this Section, each
32 month the Department shall pay \$416,667 into the General
33 Revenue Fund and the balance shall be paid into the Public
34 Utility Fund in the State treasury.

35 (Source: P.A. 92-492, eff. 1-1-02; 93-839, eff. 7-30-04.)

1 (35 ILCS 640/2-11)

2 Sec. 2-11. Direct return and payment by self-assessing
3 purchaser. When electricity is used or consumed by a
4 self-assessing purchaser subject to the tax imposed by this Law
5 who did not pay the tax to a delivering supplier maintaining a
6 place of business within this State and required or authorized
7 to collect the tax, that self-assessing purchaser shall, on or
8 before the last ~~15th~~ day of each month, make a return to the
9 Department for the preceding calendar month, stating all of the
10 following:

11 (1) The self-assessing purchaser's name and principal
12 address.

13 (2) The aggregate purchase price paid by the
14 self-assessing purchaser for the distribution, supply,
15 furnishing, sale, transmission and delivery of such
16 electricity to or for the purchaser during the preceding
17 calendar month, including budget plan and other
18 purchaser-owned amounts applied during such month in
19 payment of charges includible in the purchase price, and
20 upon the basis of which the tax is imposed.

21 (3) Amount of tax, computed upon item (2) at the rate
22 stated in Section 2-4.

23 (4) Such other information as the Department
24 reasonably may require.

25 In making such return the self-assessing purchaser may use
26 any reasonable method to derive reportable "purchase price"
27 from the self-assessing purchaser's records.

28 If the average monthly tax liability of the self-assessing
29 purchaser to the Department does not exceed \$2,500, the
30 Department may authorize the self-assessing purchaser's
31 returns to be filed on a quarter-annual basis, with the return
32 for January, February and March of a given year being due by
33 April 30 of such year; with the return for April, May and June
34 of a given year being due by July 31 of such year; with the
35 return for July, August, and September of a given year being
36 due by October 31 of such year; and with the return for

1 October, November and December of a given year being due by
2 January 31 of the following year.

3 If the average monthly tax liability of the self-assessing
4 purchaser to the Department does not exceed \$1,000, the
5 Department may authorize the self-assessing purchaser's
6 returns to be filed on an annual basis, with the return for a
7 given year being due by January 31 of the following year.

8 Such quarter-annual and annual returns, as to form and
9 substance, shall be subject to the same requirements as monthly
10 returns.

11 Notwithstanding any other provision in this Law concerning
12 the time within which a self-assessing purchaser may file a
13 return, any such self-assessing purchaser who ceases to be
14 responsible for filing returns under this Law shall file a
15 final return under this Law with the Department not more than
16 one month thereafter.

17 Each self-assessing purchaser whose average monthly
18 liability to the Department pursuant to this Section was
19 \$25,000 ~~\$10,000~~ or more during the preceding calendar year,
20 excluding the month of highest liability and the month of
21 lowest liability during such calendar year, and which is not
22 operated by a unit of local government, shall make estimated
23 payments to the Department on or before the 7th, 15th, 22nd and
24 last day of the month during which tax liability to the
25 Department is incurred in an amount not less than the lower of
26 either 22.5% of such self-assessing purchaser's actual tax
27 liability for the month or 25% of such self-assessing
28 purchaser's actual tax liability for the same calendar month of
29 the preceding year. The amount of such quarter-monthly payments
30 shall be credited against the final tax liability of the
31 self-assessing purchaser's return for that month. An
32 outstanding credit approved by the Department or a credit
33 memorandum issued by the Department arising from the
34 self-assessing purchaser's overpayment of the self-assessing
35 purchaser's final tax liability for any month may be applied to
36 reduce the amount of any subsequent quarter-monthly payment or

1 credited against the final tax liability of such self-assessing
2 purchaser's return for any subsequent month. If any
3 quarter-monthly payment is not paid at the time or in the
4 amount required by this Section, such person shall be liable
5 for penalty and interest on the difference between the minimum
6 amount due as a payment and the amount of such payment actually
7 and timely paid, except insofar as such person has previously
8 made payments for that month to the Department in excess of the
9 minimum payments previously due.

10 If the Director finds that the information required for the
11 making of an accurate return cannot reasonably be compiled by a
12 self-assessing purchaser within 15 days after the close of the
13 calendar month for which a return is to be made, the Director
14 may grant an extension of time for the filing of such return
15 for a period of not to exceed 31 calendar days. The granting of
16 such an extension may be conditioned upon the deposit by such
17 self-assessing purchaser with the Department of an amount of
18 money not exceeding the amount estimated by the Director to be
19 due with the return so extended. All such deposits shall be
20 credited against such self-assessing purchaser's liabilities
21 under this Law. If the deposit exceeds such self-assessing
22 purchaser's present and probable future liabilities under this
23 Law, the Department shall issue to such self-assessing
24 purchaser a credit memorandum, which may be assigned by such
25 self-assessing purchaser to a similar person under this Law, in
26 accordance with reasonable rules and regulations to be
27 prescribed by the Department.

28 The self-assessing purchaser making the return provided
29 for in this Section shall, at the time of making such return,
30 pay to the Department the amount of tax imposed by this Law.

31 Until October 1, 2002, a self-assessing purchaser who has
32 an average monthly tax liability of \$10,000 or more shall make
33 all payments required by rules of the Department by electronic
34 funds transfer. The term "average monthly tax liability" shall
35 be the sum of the self-assessing purchaser's liabilities under
36 this Law for the immediately preceding calendar year divided by

1 12. Beginning on October 1, 2002, a taxpayer who has a tax
2 liability in the amount set forth in subsection (b) of Section
3 2505-210 of the Department of Revenue Law shall make all
4 payments required by rules of the Department by electronic
5 funds transfer. Any self-assessing purchaser not required to
6 make payments by electronic funds transfer may make payments by
7 electronic funds transfer with the permission of the
8 Department. All self-assessing purchasers required to make
9 payments by electronic funds transfer and any self-assessing
10 purchasers authorized to voluntarily make payments by
11 electronic funds transfer shall make those payments in the
12 manner authorized by the Department.

13 Through June 30, 2004, each month the Department shall pay
14 into the Public Utility Fund in the State treasury an amount
15 determined by the Director to be equal to 3.0% of the funds
16 received by the Department pursuant to this Section. Through
17 June 30, 2004, the remainder of all moneys received by the
18 Department under this Section shall be paid into the General
19 Revenue Fund in the State treasury. Beginning on July 1, 2004,
20 of the 3% of the funds received pursuant to this Section, each
21 month the Department shall pay \$416,667 into the General
22 Revenue Fund and the balance shall be paid into the Public
23 Utility Fund in the State treasury.

24 (Source: P.A. 92-492, eff. 1-1-02; 93-839, eff. 7-30-04.)

25 (35 ILCS 640/2-12)

26 Sec. 2-12. Applicability of Retailers' Occupation Tax Act,
27 Public Utilities Revenue Act and Uniform Penalty and Interest
28 Act. The Department shall have full power to administer and
29 enforce this Law; to collect all taxes, penalties and interest
30 due hereunder; to dispose of taxes, penalties and interest so
31 collected in the manner herein provided; and to determine all
32 rights to credit memoranda or refunds arising on account of the
33 erroneous payment of tax, penalty or interest hereunder.

34 All of the provisions of Sections 4 (except that the time
35 limitation provisions shall run from the date when the tax is

1 due rather than from the date when gross receipts are
2 received), 5 (except that the time limitation provisions on the
3 issuances of notices of tax liability shall run from the date
4 when the tax is due rather than from the date when gross
5 receipts are received and except that in the case of a failure
6 to file a return required by this Law, no notice of tax
7 liability shall be issued on and after each July 1 and January
8 1 covering tax due with that return during any month or period
9 more than 6 years before that July 1 or January 1,
10 respectively, and except that the 30% penalty provided for in
11 Section 5 shall not apply), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, ~~and~~
12 5j, 6b, and 6c of the Retailers' Occupation Tax Act, and
13 Sections 6, 8, 9, 10 and 11 of the Public Utilities Revenue
14 Act, which are not inconsistent with this Law, and the Uniform
15 Penalty and Interest Act shall apply, as far as practicable, to
16 the subject matter of this Law to the same extent as if such
17 provisions were included herein. References in such
18 incorporated Sections of the Retailers' Occupation Tax Act and
19 Public Utilities Revenue Act and to taxpayers and to persons
20 engaged in the business of selling tangible personal property
21 at retail means both purchasers and delivering suppliers
22 maintaining a place of business in this State, as required by
23 the particular context, when used in this Law. References in
24 such incorporated Sections of the Retailers' Occupation Tax Act
25 and Public Utilities Revenue Act to gross receipts and to gross
26 receipts received means purchase price or kilowatt-hours used
27 or consumed by the purchaser, as required by the particular
28 context.

29 Any credit memorandum issued under the tax imposed by
30 Section 2 of the Public Utilities Revenue Act may be applied
31 against liability incurred under this Act. Any credit
32 memorandum issued under this Act may be applied against
33 liability incurred under the tax imposed by Section 2 of the
34 Public Utilities Revenue Act.

35 (Source: P.A. 90-561, eff. 8-1-98; 90-624, eff. 7-10-98.)

1 Section 95. The Illinois Municipal Code is amended by
2 changing Section 11-74.3-6 as follows:

3 (65 ILCS 5/11-74.3-6)

4 Sec. 11-74.3-6. Business district revenue and obligations.

5 (a) If the corporate authorities of a municipality have
6 approved a business district development or redevelopment plan
7 and have elected to impose a tax by ordinance pursuant to
8 subsections (b), (c), or (d) of this Section, each year after
9 the date of the approval of the ordinance and until all
10 business district project costs and all municipal obligations
11 financing the business district project costs, if any, have
12 been paid in accordance with the business district development
13 or redevelopment plan, but in no event longer than 23 years
14 after the date of adoption of the ordinance approving the
15 business district development or redevelopment plan, all
16 amounts generated by the retailers' occupation tax and service
17 occupation tax shall be collected and the tax shall be enforced
18 by the Department of Revenue in the same manner as all
19 retailers' occupation taxes and service occupation taxes
20 imposed in the municipality imposing the tax and all amounts
21 generated by the hotel operators' occupation tax shall be
22 collected and the tax shall be enforced by the municipality in
23 the same manner as all hotel operators' occupation taxes
24 imposed in the municipality imposing the tax. The corporate
25 authorities of the municipality shall deposit the proceeds of
26 the taxes imposed under subsections (b), (c), and (d) into a
27 special fund held by the corporate authorities of the
28 municipality called the Business District Tax Allocation Fund
29 for the purpose of paying business district project costs and
30 obligations incurred in the payment of those costs.

31 (b) The corporate authorities of a municipality that has
32 established a business district under this Division 74.3 may,
33 by ordinance or resolution, impose a Business District
34 Retailers' Occupation Tax upon all persons engaged in the
35 business of selling tangible personal property, other than an

1 item of tangible personal property titled or registered with an
2 agency of this State's government, at retail in the business
3 district at a rate not to exceed 1% of the gross receipts from
4 the sales made in the course of such business, to be imposed
5 only in 0.25% increments. The tax may not be imposed on food
6 for human consumption that is to be consumed off the premises
7 where it is sold (other than alcoholic beverages, soft drinks,
8 and food that has been prepared for immediate consumption),
9 prescription and nonprescription medicines, drugs, medical
10 appliances, modifications to a motor vehicle for the purpose of
11 rendering it usable by a disabled person, and insulin, urine
12 testing materials, syringes, and needles used by diabetics, for
13 human use.

14 The tax imposed under this subsection and all civil
15 penalties that may be assessed as an incident thereof shall be
16 collected and enforced by the Department of Revenue. The
17 certificate of registration that is issued by the Department to
18 a retailer under the Retailers' Occupation Tax Act shall permit
19 the retailer to engage in a business that is taxable under any
20 ordinance or resolution enacted pursuant to this subsection
21 without registering separately with the Department under such
22 ordinance or resolution or under this subsection. The
23 Department of Revenue shall have full power to administer and
24 enforce this subsection; to collect all taxes and penalties due
25 under this subsection in the manner hereinafter provided; and
26 to determine all rights to credit memoranda arising on account
27 of the erroneous payment of tax or penalty under this
28 subsection. In the administration of, and compliance with, this
29 subsection, the Department and persons who are subject to this
30 subsection shall have the same rights, remedies, privileges,
31 immunities, powers and duties, and be subject to the same
32 conditions, restrictions, limitations, penalties, exclusions,
33 exemptions, and definitions of terms and employ the same modes
34 of procedure, as are prescribed in Sections 1, 1a through 1o, 2
35 through 2-65 (in respect to all provisions therein other than
36 the State rate of tax), 2c through 2h, 3 (except as to the

1 disposition of taxes and penalties collected), 4, 5, 5a, 5c,
2 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,
3 12, 13, and 14 of the Retailers' Occupation Tax Act and all
4 provisions of the Uniform Penalty and Interest Act, as fully as
5 if those provisions were set forth herein.

6 Persons subject to any tax imposed under this subsection
7 may reimburse themselves for their seller's tax liability under
8 this subsection by separately stating the tax as an additional
9 charge, which charge may be stated in combination, in a single
10 amount, with State taxes that sellers are required to collect
11 under the Use Tax Act, in accordance with such bracket
12 schedules as the Department may prescribe.

13 Whenever the Department determines that a refund should be
14 made under this subsection to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the order to be drawn for the
17 amount specified and to the person named in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of the business district retailers' occupation
20 tax fund.

21 The Department shall immediately pay over to the State
22 Treasurer, ex officio, as trustee, all taxes, penalties, and
23 interest collected under this subsection for deposit into the
24 business district retailers' occupation tax fund. On or before
25 the 25th day of each calendar month, the Department shall
26 prepare and certify to the Comptroller the disbursement of
27 stated sums of money to named municipalities from the business
28 district retailers' occupation tax fund, the municipalities to
29 be those from which retailers have paid taxes or penalties
30 under this subsection to the Department during the second
31 preceding calendar month. The amount to be paid to each
32 municipality shall be the amount (not including credit
33 memoranda) collected under this subsection during the second
34 preceding calendar month by the Department plus an amount the
35 Department determines is necessary to offset any amounts that
36 were erroneously paid to a different taxing body, and not

1 including an amount equal to the amount of refunds made during
2 the second preceding calendar month by the Department, less 2%
3 of that amount, which shall be deposited into the Tax
4 Compliance and Administration Fund and shall be used by the
5 Department, subject to appropriation, to cover the costs of the
6 Department in administering and enforcing the provisions of
7 this subsection, on behalf of such municipality, and not
8 including any amount that the Department determines is
9 necessary to offset any amounts that were payable to a
10 different taxing body but were erroneously paid to the
11 municipality. Within 10 days after receipt by the Comptroller
12 of the disbursement certification to the municipalities
13 provided for in this subsection to be given to the Comptroller
14 by the Department, the Comptroller shall cause the orders to be
15 drawn for the respective amounts in accordance with the
16 directions contained in the certification. The proceeds of the
17 tax paid to municipalities under this subsection shall be
18 deposited into the Business District Tax Allocation Fund by the
19 municipality.

20 An ordinance or resolution imposing or discontinuing the
21 tax under this subsection or effecting a change in the rate
22 thereof shall either (i) be adopted and a certified copy
23 thereof filed with the Department on or before the first day of
24 April, whereupon the Department, if all other requirements of
25 this subsection are met, shall proceed to administer and
26 enforce this subsection as of the first day of July next
27 following the adoption and filing; or (ii) be adopted and a
28 certified copy thereof filed with the Department on or before
29 the first day of October, whereupon, if all other requirements
30 of this subsection are met, the Department shall proceed to
31 administer and enforce this subsection as of the first day of
32 January next following the adoption and filing.

33 The Department of Revenue shall not administer or enforce
34 an ordinance imposing, discontinuing, or changing the rate of
35 the tax under this subsection, until the municipality also
36 provides, in the manner prescribed by the Department, the

1 boundaries of the business district in such a way that the
2 Department can determine by its address whether a business is
3 located in the business district. The municipality must provide
4 this boundary information to the Department on or before April
5 1 for administration and enforcement of the tax under this
6 subsection by the Department beginning on the following July 1
7 and on or before October 1 for administration and enforcement
8 of the tax under this subsection by the Department beginning on
9 the following January 1. The Department of Revenue shall not
10 administer or enforce any change made to the boundaries of a
11 business district until the municipality reports the boundary
12 change or address change, addition, or deletion to the
13 Department in the manner prescribed by the Department. The
14 municipality must provide this boundary change information or
15 address change, addition, or deletion to the Department on or
16 before April 1 for administration and enforcement by the
17 Department of the change beginning on the following July 1 and
18 on or before October 1 for administration and enforcement by
19 the Department of the change beginning on the following January
20 1. The retailers in the business district shall be responsible
21 for charging the tax imposed under this subsection. If a
22 retailer is incorrectly included or excluded from the list of
23 those required to collect the tax under this subsection, both
24 the Department of Revenue and the retailer shall be held
25 harmless if they reasonably relied on information provided by
26 the municipality.

27 A municipality that imposes the tax under this subsection
28 must submit to the Department of Revenue any other information
29 as the Department may require for the administration and
30 enforcement of the tax.

31 When certifying the amount of a monthly disbursement to a
32 municipality under this subsection, the Department shall
33 increase or decrease the amount by an amount necessary to
34 offset any misallocation of previous disbursements. The offset
35 amount shall be the amount erroneously disbursed within the
36 previous 6 months from the time a misallocation is discovered.

1 Nothing in this subsection shall be construed to authorize
2 the municipality to impose a tax upon the privilege of engaging
3 in any business which under the Constitution of the United
4 States may not be made the subject of taxation by this State.

5 If a tax is imposed under this subsection (b), a tax shall
6 also be imposed under subsection (c) of this Section.

7 (c) If a tax has been imposed under subsection (b), a
8 Business District Service Occupation Tax shall also be imposed
9 upon all persons engaged, in the business district, in the
10 business of making sales of service, who, as an incident to
11 making those sales of service, transfer tangible personal
12 property within the business district, either in the form of
13 tangible personal property or in the form of real estate as an
14 incident to a sale of service. The tax shall be imposed at the
15 same rate as the tax imposed in subsection (b) and shall not
16 exceed 1% of the selling price of tangible personal property so
17 transferred within the business district, to be imposed only in
18 0.25% increments. The tax may not be imposed on food for human
19 consumption that is to be consumed off the premises where it is
20 sold (other than alcoholic beverages, soft drinks, and food
21 that has been prepared for immediate consumption),
22 prescription and nonprescription medicines, drugs, medical
23 appliances, modifications to a motor vehicle for the purpose of
24 rendering it usable by a disabled person, and insulin, urine
25 testing materials, syringes, and needles used by diabetics, for
26 human use.

27 The tax imposed under this subsection and all civil
28 penalties that may be assessed as an incident thereof shall be
29 collected and enforced by the Department of Revenue. The
30 certificate of registration which is issued by the Department
31 to a retailer under the Retailers' Occupation Tax Act or under
32 the Service Occupation Tax Act shall permit such registrant to
33 engage in a business which is taxable under any ordinance or
34 resolution enacted pursuant to this subsection without
35 registering separately with the Department under such
36 ordinance or resolution or under this subsection. The

1 Department of Revenue shall have full power to administer and
2 enforce this subsection; to collect all taxes and penalties due
3 under this subsection; to dispose of taxes and penalties so
4 collected in the manner hereinafter provided; and to determine
5 all rights to credit memoranda arising on account of the
6 erroneous payment of tax or penalty under this subsection. In
7 the administration of, and compliance with this subsection, the
8 Department and persons who are subject to this subsection shall
9 have the same rights, remedies, privileges, immunities, powers
10 and duties, and be subject to the same conditions,
11 restrictions, limitations, penalties, exclusions, exemptions,
12 and definitions of terms and employ the same modes of procedure
13 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50
14 (in respect to all provisions therein other than the State rate
15 of tax), 4 (except that the reference to the State shall be to
16 the business district), 5, 7, 8 (except that the jurisdiction
17 to which the tax shall be a debt to the extent indicated in
18 that Section 8 shall be the municipality), 9 (except as to the
19 disposition of taxes and penalties collected, and except that
20 the returned merchandise credit for this tax may not be taken
21 against any State tax), 10, 11, 12 (except the reference
22 therein to Section 2b of the Retailers' Occupation Tax Act), 13
23 (except that any reference to the State shall mean the
24 municipality), the first paragraph of Section 15, and Sections
25 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all
26 provisions of the Uniform Penalty and Interest Act, as fully as
27 if those provisions were set forth herein.

28 Persons subject to any tax imposed under the authority
29 granted in this subsection may reimburse themselves for their
30 serviceman's tax liability hereunder by separately stating the
31 tax as an additional charge, which charge may be stated in
32 combination, in a single amount, with State tax that servicemen
33 are authorized to collect under the Service Use Tax Act, in
34 accordance with such bracket schedules as the Department may
35 prescribe.

36 Whenever the Department determines that a refund should be

1 made under this subsection to a claimant instead of issuing
2 credit memorandum, the Department shall notify the State
3 Comptroller, who shall cause the order to be drawn for the
4 amount specified, and to the person named, in such notification
5 from the Department. Such refund shall be paid by the State
6 Treasurer out of the business district retailers' occupation
7 tax fund.

8 The Department shall forthwith pay over to the State
9 Treasurer, ex-officio, as trustee, all taxes, penalties, and
10 interest collected under this subsection for deposit into the
11 business district retailers' occupation tax fund. On or before
12 the 25th day of each calendar month, the Department shall
13 prepare and certify to the Comptroller the disbursement of
14 stated sums of money to named municipalities from the business
15 district retailers' occupation tax fund, the municipalities to
16 be those from which suppliers and servicemen have paid taxes or
17 penalties under this subsection to the Department during the
18 second preceding calendar month. The amount to be paid to each
19 municipality shall be the amount (not including credit
20 memoranda) collected under this subsection during the second
21 preceding calendar month by the Department, less 2% of that
22 amount, which shall be deposited into the Tax Compliance and
23 Administration Fund and shall be used by the Department,
24 subject to appropriation, to cover the costs of the Department
25 in administering and enforcing the provisions of this
26 subsection, and not including an amount equal to the amount of
27 refunds made during the second preceding calendar month by the
28 Department on behalf of such municipality. Within 10 days after
29 receipt, by the Comptroller, of the disbursement certification
30 to the municipalities, provided for in this subsection to be
31 given to the Comptroller by the Department, the Comptroller
32 shall cause the orders to be drawn for the respective amounts
33 in accordance with the directions contained in such
34 certification. The proceeds of the tax paid to municipalities
35 under this subsection shall be deposited into the Business
36 District Tax Allocation Fund by the municipality.

1 An ordinance or resolution imposing or discontinuing the
2 tax under this subsection or effecting a change in the rate
3 thereof shall either (i) be adopted and a certified copy
4 thereof filed with the Department on or before the first day of
5 April, whereupon the Department, if all other requirements of
6 this subsection are met, shall proceed to administer and
7 enforce this subsection as of the first day of July next
8 following the adoption and filing; or (ii) be adopted and a
9 certified copy thereof filed with the Department on or before
10 the first day of October, whereupon, if all other conditions of
11 this subsection are met, the Department shall proceed to
12 administer and enforce this subsection as of the first day of
13 January next following the adoption and filing.

14 The Department of Revenue shall not administer or enforce
15 an ordinance imposing, discontinuing, or changing the rate of
16 the tax under this subsection, until the municipality also
17 provides, in the manner prescribed by the Department, the
18 boundaries of the business district in such a way that the
19 Department can determine by its address whether a business is
20 located in the business district. The municipality must provide
21 this boundary information to the Department on or before April
22 1 for administration and enforcement of the tax under this
23 subsection by the Department beginning on the following July 1
24 and on or before October 1 for administration and enforcement
25 of the tax under this subsection by the Department beginning on
26 the following January 1. The Department of Revenue shall not
27 administer or enforce any change made to the boundaries of a
28 business district until the municipality reports the boundary
29 change to the Department in the manner prescribed by the
30 Department. The municipality must provide this boundary change
31 information to the Department on or before April 1 for
32 administration and enforcement by the Department of the change
33 beginning on the following July 1 and on or before October 1
34 for administration and enforcement by the Department of the
35 change beginning on the following January 1. The retailers in
36 the business district shall be responsible for charging the tax

1 imposed under this subsection. If a retailer is incorrectly
2 included or excluded from the list of those required to collect
3 the tax under this subsection, both the Department of Revenue
4 and the retailer shall be held harmless if they reasonably
5 relied on information provided by the municipality.

6 A municipality that imposes the tax under this subsection
7 must submit to the Department of Revenue any other information
8 as the Department may require for the administration and
9 enforcement of the tax.

10 Nothing in this subsection shall be construed to authorize
11 the municipality to impose a tax upon the privilege of engaging
12 in any business which under the Constitution of the United
13 States may not be made the subject of taxation by the State.

14 If a tax is imposed under this subsection (c), a tax shall
15 also be imposed under subsection (b) of this Section.

16 (d) By ordinance, a municipality that has established a
17 business district under this Division 74.3 may impose an
18 occupation tax upon all persons engaged in the business
19 district in the business of renting, leasing, or letting rooms
20 in a hotel, as defined in the Hotel Operators' Occupation Tax
21 Act, at a rate not to exceed 1% of the gross rental receipts
22 from the renting, leasing, or letting of hotel rooms within the
23 business district, to be imposed only in 0.25% increments,
24 excluding, however, from gross rental receipts the proceeds of
25 renting, leasing, or letting to permanent residents of a hotel,
26 as defined in the Hotel Operators' Occupation Tax Act, and
27 proceeds from the tax imposed under subsection (c) of Section
28 13 of the Metropolitan Pier and Exposition Authority Act.

29 The tax imposed by the municipality under this subsection
30 and all civil penalties that may be assessed as an incident to
31 that tax shall be collected and enforced by the municipality
32 imposing the tax. The municipality shall have full power to
33 administer and enforce this subsection, to collect all taxes
34 and penalties due under this subsection, to dispose of taxes
35 and penalties so collected in the manner provided in this
36 subsection, and to determine all rights to credit memoranda

1 arising on account of the erroneous payment of tax or penalty
2 under this subsection. In the administration of and compliance
3 with this subsection, the municipality and persons who are
4 subject to this subsection shall have the same rights,
5 remedies, privileges, immunities, powers, and duties, shall be
6 subject to the same conditions, restrictions, limitations,
7 penalties, and definitions of terms, and shall employ the same
8 modes of procedure as are employed with respect to a tax
9 adopted by the municipality under Section 8-3-14 of this Code.

10 Persons subject to any tax imposed under the authority
11 granted in this subsection may reimburse themselves for their
12 tax liability for that tax by separately stating that tax as an
13 additional charge, which charge may be stated in combination,
14 in a single amount, with State taxes imposed under the Hotel
15 Operators' Occupation Tax Act, and with any other tax.

16 Nothing in this subsection shall be construed to authorize
17 a municipality to impose a tax upon the privilege of engaging
18 in any business which under the Constitution of the United
19 States may not be made the subject of taxation by this State.

20 The proceeds of the tax imposed under this subsection shall
21 be deposited into the Business District Tax Allocation Fund.

22 (e) Obligations issued pursuant to subsection (14) of
23 Section 11-74.3-3 shall be retired in the manner provided in
24 the ordinance authorizing the issuance of those obligations by
25 the receipts of taxes levied as authorized in subsections (12)
26 and (13) of Section 11-74.3-3. The ordinance shall pledge all
27 of the amounts in and to be deposited in the Business District
28 Tax Allocation Fund to the payment of business district project
29 costs and obligations. Obligations issued pursuant to
30 subsection (14) of Section 11-74.3-3 may be sold at public or
31 private sale at a price determined by the corporate authorities
32 of the municipality and no referendum approval of the electors
33 shall be required as a condition to the issuance of those
34 obligations. The ordinance authorizing the obligations may
35 require that the obligations contain a recital that they are
36 issued pursuant to subsection (14) of Section 11-74.3-3 and

1 this recital shall be conclusive evidence of their validity and
2 of the regularity of their issuance. The corporate authorities
3 of the municipality may also issue its obligations to refund,
4 in whole or in part, obligations previously issued by the
5 municipality under the authority of this Code, whether at or
6 prior to maturity. All obligations issued pursuant to
7 subsection (14) of Section 11-74.3-3 shall not be regarded as
8 indebtedness of the municipality issuing the obligations for
9 the purpose of any limitation imposed by law.

10 (f) When business district costs, including, without
11 limitation, all municipal obligations financing business
12 district project costs incurred under Section 11-74.3-3 have
13 been paid, any surplus funds then remaining in the Business
14 District Tax Allocation Fund shall be distributed to the
15 municipal treasurer for deposit into the municipal general
16 corporate fund. Upon payment of all business district project
17 costs and retirement of obligations, but in no event more than
18 23 years after the date of adoption of the ordinance approving
19 the business district development or redevelopment plan, the
20 municipality shall adopt an ordinance immediately rescinding
21 the taxes imposed pursuant to subsections (12) and (13) of
22 Section 11-74.3-3.

23 (Source: P.A. 93-1053, eff. 1-1-05; 93-1089, eff. 3-7-05.)

24 Section 100. The Local Mass Transit District Act is
25 amended by changing Section 5.01 as follows:

26 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

27 Sec. 5.01. Metro East Mass Transit District; use and
28 occupation taxes.

29 (a) The Board of Trustees of any Metro East Mass Transit
30 District may, by ordinance adopted with the concurrence of
31 two-thirds of the then trustees, impose throughout the District
32 any or all of the taxes and fees provided in this Section. All
33 taxes and fees imposed under this Section shall be used only
34 for public mass transportation systems, and the amount used to

1 provide mass transit service to unserved areas of the District
2 shall be in the same proportion to the total proceeds as the
3 number of persons residing in the unserved areas is to the
4 total population of the District. Except as otherwise provided
5 in this Act, taxes imposed under this Section and civil
6 penalties imposed incident thereto shall be collected and
7 enforced by the State Department of Revenue. The Department
8 shall have the power to administer and enforce the taxes and to
9 determine all rights for refunds for erroneous payments of the
10 taxes.

11 (b) The Board may impose a Metro East Mass Transit District
12 Retailers' Occupation Tax upon all persons engaged in the
13 business of selling tangible personal property at retail in the
14 district at a rate of 1/4 of 1%, or as authorized under
15 subsection (d-5) of this Section, of the gross receipts from
16 the sales made in the course of such business within the
17 district. The tax imposed under this Section and all civil
18 penalties that may be assessed as an incident thereof shall be
19 collected and enforced by the State Department of Revenue. The
20 Department shall have full power to administer and enforce this
21 Section; to collect all taxes and penalties so collected in the
22 manner hereinafter provided; and to determine all rights to
23 credit memoranda arising on account of the erroneous payment of
24 tax or penalty hereunder. In the administration of, and
25 compliance with, this Section, the Department and persons who
26 are subject to this Section shall have the same rights,
27 remedies, privileges, immunities, powers and duties, and be
28 subject to the same conditions, restrictions, limitations,
29 penalties, exclusions, exemptions and definitions of terms and
30 employ the same modes of procedure, as are prescribed in
31 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
32 (in respect to all provisions therein other than the State rate
33 of tax), 2c, 3 (except as to the disposition of taxes and
34 penalties collected), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
35 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the
36 Retailers' Occupation Tax Act and Section 3-7 of the Uniform

1 Penalty and Interest Act, as fully as if those provisions were
2 set forth herein.

3 Persons subject to any tax imposed under the Section may
4 reimburse themselves for their seller's tax liability
5 hereunder by separately stating the tax as an additional
6 charge, which charge may be stated in combination, in a single
7 amount, with State taxes that sellers are required to collect
8 under the Use Tax Act, in accordance with such bracket
9 schedules as the Department may prescribe.

10 Whenever the Department determines that a refund should be
11 made under this Section to a claimant instead of issuing a
12 credit memorandum, the Department shall notify the State
13 Comptroller, who shall cause the warrant to be drawn for the
14 amount specified, and to the person named, in the notification
15 from the Department. The refund shall be paid by the State
16 Treasurer out of the Metro East Mass Transit District tax fund
17 established under paragraph (g) of this Section.

18 If a tax is imposed under this subsection (b), a tax shall
19 also be imposed under subsections (c) and (d) of this Section.

20 For the purpose of determining whether a tax authorized
21 under this Section is applicable, a retail sale, by a producer
22 of coal or other mineral mined in Illinois, is a sale at retail
23 at the place where the coal or other mineral mined in Illinois
24 is extracted from the earth. This paragraph does not apply to
25 coal or other mineral when it is delivered or shipped by the
26 seller to the purchaser at a point outside Illinois so that the
27 sale is exempt under the Federal Constitution as a sale in
28 interstate or foreign commerce.

29 No tax shall be imposed or collected under this subsection
30 on the sale of a motor vehicle in this State to a resident of
31 another state if that motor vehicle will not be titled in this
32 State.

33 Nothing in this Section shall be construed to authorize the
34 Metro East Mass Transit District to impose a tax upon the
35 privilege of engaging in any business which under the
36 Constitution of the United States may not be made the subject

1 of taxation by this State.

2 (c) If a tax has been imposed under subsection (b), a Metro
3 East Mass Transit District Service Occupation Tax shall also be
4 imposed upon all persons engaged, in the district, in the
5 business of making sales of service, who, as an incident to
6 making those sales of service, transfer tangible personal
7 property within the District, either in the form of tangible
8 personal property or in the form of real estate as an incident
9 to a sale of service. The tax rate shall be 1/4%, or as
10 authorized under subsection (d-5) of this Section, of the
11 selling price of tangible personal property so transferred
12 within the district. The tax imposed under this paragraph and
13 all civil penalties that may be assessed as an incident thereof
14 shall be collected and enforced by the State Department of
15 Revenue. The Department shall have full power to administer and
16 enforce this paragraph; to collect all taxes and penalties due
17 hereunder; to dispose of taxes and penalties so collected in
18 the manner hereinafter provided; and to determine all rights to
19 credit memoranda arising on account of the erroneous payment of
20 tax or penalty hereunder. In the administration of, and
21 compliance with this paragraph, the Department and persons who
22 are subject to this paragraph shall have the same rights,
23 remedies, privileges, immunities, powers and duties, and be
24 subject to the same conditions, restrictions, limitations,
25 penalties, exclusions, exemptions and definitions of terms and
26 employ the same modes of procedure as are prescribed in
27 Sections 1a-1, 2 (except that the reference to State in the
28 definition of supplier maintaining a place of business in this
29 State shall mean the Authority), 2a, 3 through 3-50 (in respect
30 to all provisions therein other than the State rate of tax), 4
31 (except that the reference to the State shall be to the
32 Authority), 5, 7, 8 (except that the jurisdiction to which the
33 tax shall be a debt to the extent indicated in that Section 8
34 shall be the District), 9 (except as to the disposition of
35 taxes and penalties collected, and except that the returned
36 merchandise credit for this tax may not be taken against any

1 State tax), 10, 11, 12 (except the reference therein to Section
2 2b of the Retailers' Occupation Tax Act), 13 (except that any
3 reference to the State shall mean the District), the first
4 paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service
5 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
6 Interest Act, as fully as if those provisions were set forth
7 herein.

8 Persons subject to any tax imposed under the authority
9 granted in this paragraph may reimburse themselves for their
10 serviceman's tax liability hereunder by separately stating the
11 tax as an additional charge, which charge may be stated in
12 combination, in a single amount, with State tax that servicemen
13 are authorized to collect under the Service Use Tax Act, in
14 accordance with such bracket schedules as the Department may
15 prescribe.

16 Whenever the Department determines that a refund should be
17 made under this paragraph to a claimant instead of issuing a
18 credit memorandum, the Department shall notify the State
19 Comptroller, who shall cause the warrant to be drawn for the
20 amount specified, and to the person named, in the notification
21 from the Department. The refund shall be paid by the State
22 Treasurer out of the Metro East Mass Transit District tax fund
23 established under paragraph (g) of this Section.

24 Nothing in this paragraph shall be construed to authorize
25 the District to impose a tax upon the privilege of engaging in
26 any business which under the Constitution of the United States
27 may not be made the subject of taxation by the State.

28 (d) If a tax has been imposed under subsection (b), a Metro
29 East Mass Transit District Use Tax shall also be imposed upon
30 the privilege of using, in the district, any item of tangible
31 personal property that is purchased outside the district at
32 retail from a retailer, and that is titled or registered with
33 an agency of this State's government, at a rate of 1/4%, or as
34 authorized under subsection (d-5) of this Section, of the
35 selling price of the tangible personal property within the
36 District, as "selling price" is defined in the Use Tax Act. The

1 tax shall be collected from persons whose Illinois address for
2 titling or registration purposes is given as being in the
3 District. The tax shall be collected by the Department of
4 Revenue for the Metro East Mass Transit District. The tax must
5 be paid to the State, or an exemption determination must be
6 obtained from the Department of Revenue, before the title or
7 certificate of registration for the property may be issued. The
8 tax or proof of exemption may be transmitted to the Department
9 by way of the State agency with which, or the State officer
10 with whom, the tangible personal property must be titled or
11 registered if the Department and the State agency or State
12 officer determine that this procedure will expedite the
13 processing of applications for title or registration.

14 The Department shall have full power to administer and
15 enforce this paragraph; to collect all taxes, penalties and
16 interest due hereunder; to dispose of taxes, penalties and
17 interest so collected in the manner hereinafter provided; and
18 to determine all rights to credit memoranda or refunds arising
19 on account of the erroneous payment of tax, penalty or interest
20 hereunder. In the administration of, and compliance with, this
21 paragraph, the Department and persons who are subject to this
22 paragraph shall have the same rights, remedies, privileges,
23 immunities, powers and duties, and be subject to the same
24 conditions, restrictions, limitations, penalties, exclusions,
25 exemptions and definitions of terms and employ the same modes
26 of procedure, as are prescribed in Sections 2 (except the
27 definition of "retailer maintaining a place of business in this
28 State"), 3 through 3-80 (except provisions pertaining to the
29 State rate of tax, and except provisions concerning collection
30 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,
31 19 (except the portions pertaining to claims by retailers and
32 except the last paragraph concerning refunds), 20, 21 and 22 of
33 the Use Tax Act and Section 3-7 of the Uniform Penalty and
34 Interest Act, that are not inconsistent with this paragraph, as
35 fully as if those provisions were set forth herein.

36 Whenever the Department determines that a refund should be

1 made under this paragraph to a claimant instead of issuing a
2 credit memorandum, the Department shall notify the State
3 Comptroller, who shall cause the order to be drawn for the
4 amount specified, and to the person named, in the notification
5 from the Department. The refund shall be paid by the State
6 Treasurer out of the Metro East Mass Transit District tax fund
7 established under paragraph (g) of this Section.

8 (d-5) (A) The county board of any county participating in
9 the Metro East Mass Transit District may authorize, by
10 ordinance, a referendum on the question of whether the tax
11 rates for the Metro East Mass Transit District Retailers'
12 Occupation Tax, the Metro East Mass Transit District Service
13 Occupation Tax, and the Metro East Mass Transit District Use
14 Tax for the District should be increased from 0.25% to 0.75%.
15 Upon adopting the ordinance, the county board shall certify the
16 proposition to the proper election officials who shall submit
17 the proposition to the voters of the District at the next
18 election, in accordance with the general election law.

19 The proposition shall be in substantially the following
20 form:

21 Shall the tax rates for the Metro East Mass Transit
22 District Retailers' Occupation Tax, the Metro East Mass
23 Transit District Service Occupation Tax, and the Metro East
24 Mass Transit District Use Tax be increased from 0.25% to
25 0.75%?

26 (B) Two thousand five hundred electors of any Metro East
27 Mass Transit District may petition the Chief Judge of the
28 Circuit Court, or any judge of that Circuit designated by the
29 Chief Judge, in which that District is located to cause to be
30 submitted to a vote of the electors the question whether the
31 tax rates for the Metro East Mass Transit District Retailers'
32 Occupation Tax, the Metro East Mass Transit District Service
33 Occupation Tax, and the Metro East Mass Transit District Use
34 Tax for the District should be increased from 0.25% to 0.75%.

35 Upon submission of such petition the court shall set a date
36 not less than 10 nor more than 30 days thereafter for a hearing

1 on the sufficiency thereof. Notice of the filing of such
2 petition and of such date shall be given in writing to the
3 District and the County Clerk at least 7 days before the date
4 of such hearing.

5 If such petition is found sufficient, the court shall enter
6 an order to submit that proposition at the next election, in
7 accordance with general election law.

8 The form of the petition shall be in substantially the
9 following form:

10 To the Circuit Court of the County of (name of county):

11 We, the undersigned electors of the (name of transit
12 district), respectfully petition your honor to submit to a
13 vote of the electors of (name of transit district) the
14 following proposition:

15 Shall the tax rates for the Metro East Mass Transit
16 District Retailers' Occupation Tax, the Metro East Mass
17 Transit District Service Occupation Tax, and the Metro East
18 Mass Transit District Use Tax be increased from 0.25% to
19 0.75%?

20 Name Address, with Street and Number.

21

22

23 (C) The votes shall be recorded as "YES" or "NO". If a
24 majority of all votes cast on the proposition are for the
25 increase in the tax rates, the Metro East Mass Transit District
26 shall begin imposing the increased rates in the District, and
27 the Department of Revenue shall begin collecting the increased
28 amounts, as provided under this Section. An ordinance imposing
29 or discontinuing a tax hereunder or effecting a change in the
30 rate thereof shall be adopted and a certified copy thereof
31 filed with the Department on or before the first day of
32 October, whereupon the Department shall proceed to administer
33 and enforce this Section as of the first day of January next
34 following the adoption and filing, or on or before the first
35 day of April, whereupon the Department shall proceed to
36 administer and enforce this Section as of the first day of July

1 next following the adoption and filing.

2 (D) If the voters have approved a referendum under this
3 subsection, before November 1, 1994, to increase the tax rate
4 under this subsection, the Metro East Mass Transit District
5 Board of Trustees may adopt by a majority vote an ordinance at
6 any time before January 1, 1995 that excludes from the rate
7 increase tangible personal property that is titled or
8 registered with an agency of this State's government. The
9 ordinance excluding titled or registered tangible personal
10 property from the rate increase must be filed with the
11 Department at least 15 days before its effective date. At any
12 time after adopting an ordinance excluding from the rate
13 increase tangible personal property that is titled or
14 registered with an agency of this State's government, the Metro
15 East Mass Transit District Board of Trustees may adopt an
16 ordinance applying the rate increase to that tangible personal
17 property. The ordinance shall be adopted, and a certified copy
18 of that ordinance shall be filed with the Department, on or
19 before October 1, whereupon the Department shall proceed to
20 administer and enforce the rate increase against tangible
21 personal property titled or registered with an agency of this
22 State's government as of the following January 1. After
23 December 31, 1995, any reimposed rate increase in effect under
24 this subsection shall no longer apply to tangible personal
25 property titled or registered with an agency of this State's
26 government. Beginning January 1, 1996, the Board of Trustees of
27 any Metro East Mass Transit District may never reimpose a
28 previously excluded tax rate increase on tangible personal
29 property titled or registered with an agency of this State's
30 government. After July 1, 2004, if the voters have approved a
31 referendum under this subsection to increase the tax rate under
32 this subsection, the Metro East Mass Transit District Board of
33 Trustees may adopt by a majority vote an ordinance that
34 excludes from the rate increase tangible personal property that
35 is titled or registered with an agency of this State's
36 government. The ordinance excluding titled or registered

1 tangible personal property from the rate increase shall be
2 adopted, and a certified copy of that ordinance shall be filed
3 with the Department on or before October 1, whereupon the
4 Department shall administer and enforce this exclusion from the
5 rate increase as of the following January 1, or on or before
6 April 1, whereupon the Department shall administer and enforce
7 this exclusion from the rate increase as of the following July
8 1. The Board of Trustees of any Metro East Mass Transit
9 District may never reimpose a previously excluded tax rate
10 increase on tangible personal property titled or registered
11 with an agency of this State's government.

12 (d-6) If the Board of Trustees of any Metro East Mass
13 Transit District has imposed a rate increase under subsection
14 (d-5) and filed an ordinance with the Department of Revenue
15 excluding titled property from the higher rate, then that Board
16 may, by ordinance adopted with the concurrence of two-thirds of
17 the then trustees, impose throughout the District a fee. The
18 fee on the excluded property shall not exceed \$20 per retail
19 transaction or an amount equal to the amount of tax excluded,
20 whichever is less, on tangible personal property that is titled
21 or registered with an agency of this State's government. No fee
22 shall be imposed or collected under this subsection on the sale
23 of a motor vehicle in this State to a resident of another state
24 if that motor vehicle will not be titled in this State.
25 Beginning July 1, 2004, the fee shall apply only to titled
26 property that is subject to either the Metro East Mass Transit
27 District Retailers' Occupation Tax or the Metro East Mass
28 Transit District Service Occupation Tax.

29 (d-7) Until June 30, 2004, if ~~if~~ a fee has been imposed
30 under subsection (d-6), a fee shall also be imposed upon the
31 privilege of using, in the district, any item of tangible
32 personal property that is titled or registered with any agency
33 of this State's government, in an amount equal to the amount of
34 the fee imposed under subsection (d-6).

35 (d-7.1) Beginning July 1, 2004, any fee imposed by the
36 Board of Trustees of any Metro East Mass Transit District under

1 subsection (d-6) and all civil penalties that may be assessed
2 as an incident of the fees shall be collected and enforced by
3 the State Department of Revenue. Reference to "taxes" in this
4 Section shall be construed to apply to the administration,
5 payment, and remittance of all fees under this Section. For
6 purposes of any fee imposed under subsection (d-6), 4% of the
7 fee, penalty, and interest received by the Department in the
8 first 12 months that the fee is collected and enforced by the
9 Department and 2% of the fee, penalty, and interest following
10 the first 12 months shall be deposited into the Tax Compliance
11 and Administration Fund and shall be used by the Department,
12 subject to appropriation, to cover the costs of the Department.
13 No retailers' discount shall apply to any fee imposed under
14 subsection (d-6).

15 (d-8) No item of titled property shall be subject to both
16 the higher rate approved by referendum, as authorized under
17 subsection (d-5), and any fee imposed under subsection (d-6) or
18 (d-7).

19 (d-9) (Blank). ~~If fees have been imposed under subsections~~
20 ~~(d-6) and (d-7), the Board shall forward a copy of the~~
21 ~~ordinance adopting such fees, which shall include all zip codes~~
22 ~~in whole or in part within the boundaries of the district, to~~
23 ~~the Secretary of State within thirty days. By the 25th of each~~
24 ~~month, the Secretary of State shall subsequently provide the~~
25 ~~Illinois Department of Revenue with a list of identifiable~~
26 ~~retail transactions subject to the .25% rate occurring within~~
27 ~~the zip codes which are in whole or in part within the~~
28 ~~boundaries of the district and a list of title applications for~~
29 ~~addresses within the boundaries of the district for the~~
30 ~~previous month.~~

31 (d-10) (Blank). ~~In the event that a retailer fails to pay~~
32 ~~applicable fees within 30 days of the date of the transaction,~~
33 ~~a penalty shall be assessed at the rate of 25% of the amount of~~
34 ~~fees. Interest on both late fees and penalties shall be~~
35 ~~assessed at the rate of 1% per month. All fees, penalties, and~~
36 ~~attorney fees shall constitute a lien on the personal and real~~

1 ~~property of the retailer.~~

2 (e) A certificate of registration issued by the State
3 Department of Revenue to a retailer under the Retailers'
4 Occupation Tax Act or under the Service Occupation Tax Act
5 shall permit the registrant to engage in a business that is
6 taxed under the tax imposed under paragraphs (b), (c) or (d) of
7 this Section and no additional registration shall be required
8 under the tax. A certificate issued under the Use Tax Act or
9 the Service Use Tax Act shall be applicable with regard to any
10 tax imposed under paragraph (c) of this Section.

11 (f) (Blank). ~~The Board may impose a replacement vehicle tax~~
12 ~~of \$50 on any passenger car, as defined in Section 1-157 of the~~
13 ~~Illinois Vehicle Code, purchased within the district area by or~~
14 ~~on behalf of an insurance company to replace a passenger car of~~
15 ~~an insured person in settlement of a total loss claim. The tax~~
16 ~~imposed may not become effective before the first day of the~~
17 ~~month following the passage of the ordinance imposing the tax~~
18 ~~and receipt of a certified copy of the ordinance by the~~
19 ~~Department of Revenue. The Department of Revenue shall collect~~
20 ~~the tax for the district in accordance with Sections 3-2002 and~~
21 ~~3-2003 of the Illinois Vehicle Code.~~

22 ~~The Department shall immediately pay over to the State~~
23 ~~Treasurer, ex officio, as trustee, all taxes collected~~
24 ~~hereunder. On or before the 25th day of each calendar month,~~
25 ~~the Department shall prepare and certify to the Comptroller the~~
26 ~~disbursement of stated sums of money to named districts, the~~
27 ~~districts to be those from which retailers have paid taxes or~~
28 ~~penalties hereunder to the Department during the second~~
29 ~~preceding calendar month. The amount to be paid to each~~
30 ~~district shall be the amount collected hereunder during the~~
31 ~~second preceding calendar month by the Department, less any~~
32 ~~amount determined by the Department to be necessary for the~~
33 ~~payment of refunds. Within 10 days after receipt by the~~
34 ~~Comptroller of the disbursement certification to the~~
35 ~~districts, provided for in this Section to be given to the~~
36 ~~Comptroller by the Department, the Comptroller shall cause the~~

1 ~~orders to be drawn for the respective amounts in accordance~~
2 ~~with the directions contained in the certification.~~

3 (g) Any ordinance imposing or discontinuing any tax under
4 this Section shall be adopted and a certified copy thereof
5 filed with the Department on or before June 1, whereupon the
6 Department of Revenue shall proceed to administer and enforce
7 this Section on behalf of the Metro East Mass Transit District
8 as of September 1 next following such adoption and filing.
9 Beginning January 1, 1992, an ordinance or resolution imposing
10 or discontinuing the tax hereunder shall be adopted and a
11 certified copy thereof filed with the Department on or before
12 the first day of July, whereupon the Department shall proceed
13 to administer and enforce this Section as of the first day of
14 October next following such adoption and filing. Beginning
15 January 1, 1993, except as provided in subsection (d-5) of this
16 Section, an ordinance or resolution imposing or discontinuing
17 the tax hereunder shall be adopted and a certified copy thereof
18 filed with the Department on or before the first day of
19 October, whereupon the Department shall proceed to administer
20 and enforce this Section as of the first day of January next
21 following such adoption and filing, or, beginning January 1,
22 2004, on or before the first day of April, whereupon the
23 Department shall proceed to administer and enforce this Section
24 as of the first day of July next following the adoption and
25 filing.

26 (h) Except as provided in subsection (d-7.1), the ~~The~~ State
27 Department of Revenue shall, upon collecting any taxes as
28 provided in this Section, pay the taxes over to the State
29 Treasurer as trustee for the District. The taxes shall be held
30 in a trust fund outside the State Treasury. On or before the
31 25th day of each calendar month, the State Department of
32 Revenue shall prepare and certify to the Comptroller of the
33 State of Illinois the amount to be paid to the District, which
34 shall be the then balance in the fund, less any amount
35 determined by the Department to be necessary for the payment of
36 refunds. Within 10 days after receipt by the Comptroller of the

1 certification of the amount to be paid to the District, the
2 Comptroller shall cause an order to be drawn for payment for
3 the amount in accordance with the direction in the
4 certification.

5 (Source: P.A. 93-590; eff. 1-1-04; 93-1068, eff. 1-15-05.)

6 (55 ILCS 5/5-1035 rep.)

7 Section 105. The Counties Code is amended by repealing
8 Section 5-1035.

9 (65 ILCS 5/8-11-9 rep.)

10 Section 110. The Illinois Municipal Code is amended by
11 repealing Section 8-11-9.

12 Section 999. Effective date. This Act takes effect upon
13 becoming law.

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3	20 ILCS 1605/3	from Ch. 120, par. 1153
4	20 ILCS 1605/4	from Ch. 120, par. 1154
5	20 ILCS 1605/5	from Ch. 120, par. 1155
6	20 ILCS 1605/7.1	from Ch. 120, par. 1157.1
7	20 ILCS 1605/7.6	from Ch. 120, par. 1157.6
8	20 ILCS 1605/7.11	from Ch. 120, par. 1157.11
9	20 ILCS 1605/9	from Ch. 120, par. 1159
10	20 ILCS 1605/10	from Ch. 120, par. 1160
11	20 ILCS 1605/10.1	from Ch. 120, par. 1160.1
12	20 ILCS 1605/10.1a	from Ch. 120, par. 1160.1a
13	20 ILCS 1605/10.2	from Ch. 120, par. 1160.2
14	20 ILCS 1605/10.6	from Ch. 120, par. 1160.6
15	20 ILCS 1605/10.7	
16	20 ILCS 1605/12	from Ch. 120, par. 1162
17	20 ILCS 1605/13	from Ch. 120, par. 1163
18	20 ILCS 1605/14	from Ch. 120, par. 1164
19	20 ILCS 1605/14.3	
20	20 ILCS 1605/19	from Ch. 120, par. 1169
21	20 ILCS 1605/21	from Ch. 120, par. 1171
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23	20 ILCS 2505/2505-310	was 20 ILCS 2505/39b15.2
24	30 ILCS 105/13.3	from Ch. 127, par. 149.3
25	35 ILCS 5/704	from Ch. 120, par. 7-704
26	35 ILCS 5/902	from Ch. 120, par. 9-902
27	35 ILCS 5/1301	from Ch. 120, par. 13-1301
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