

1 AN ACT in relation to revenue.

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

4 Section 1. Findings; purpose; validation.

5 (a) The General Assembly finds and declares that:

6 (1) Public Act 88-669, effective November 29, 1994,
7 amended provisions relating to revenue in the following
8 Acts: the Illinois Income Tax Act, the Use Tax Act, the
9 Service Use Tax Act, the Service Occupation Tax Act, the
10 Retailers' Occupation Tax Act, the Cigarette Tax Act, the
11 Cigarette Use Tax Act, the Longtime Owner-Occupant
12 Property Tax Relief Act, the Motor Fuel Tax Law, the
13 Messages Tax Act, the Gas Revenue Tax Act, the Public
14 Utilities Revenue Tax Act, the Telecommunications Excise
15 Tax Act, the Liquor Control Act of 1934, and the Illinois
16 Vehicle Code. Public Act 88-669 also contained other
17 provisions, including an amendment to the Property Tax
18 Code.

19 (2) The Illinois Supreme Court declared Public Act
20 88-669 to be unconstitutional as a violation of the single
21 subject clause of the Illinois Constitution in *People v.*
22 *Olender*, Docket No. 98932, opinion filed December 15, 2005.

23 (b) The purpose of this Act is to re-enact most of the
24 provisions relating to revenue that were affected by Public Act
25 88-669 and to minimize or prevent any problems concerning those
26 provisions that may arise from the unconstitutionality of
27 Public Act 88-669. This re-enactment is intended to remove any
28 question as to the validity and content of those provisions; it
29 is not intended to supersede any other Public Act that amends
30 the provisions re-enacted in this Act. The re-enacted material
31 is shown in this Act as existing text (i.e., without
32 underscoring) and may include changes made by subsequent
33 amendments. The re-enacted material may also include revisory

1 changes; the revisory changes are shown by striking and
2 underscoring.

3 (c) The re-enactment of provisions by this Act is not
4 intended, and shall not be construed, to impair any legal
5 argument concerning whether those provisions were
6 substantially re-enacted by any other Public Act.

7 (d) All otherwise lawful actions taken before the effective
8 date of this Act in reliance on or pursuant to the provisions
9 re-enacted by this Act, as those provisions were set forth in
10 Public Act 88-669 or as subsequently amended, by any officer,
11 employee, or agency of State government or by any other person
12 or entity, are hereby validated, except to the extent
13 prohibited under the Illinois or United States Constitution.

14 (e) This Act applies, without limitation, to actions
15 pending on or after the effective date of this Act, except to
16 the extent prohibited under the Illinois or United States
17 Constitution.

18 Section 5. The Illinois Income Tax Act is amended by
19 re-enacting Sections 203, 502, 506.5, and 1301 and re-enacting
20 and changing Section 917 as follows:

21 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

22 Sec. 203. Base income defined.

23 (a) Individuals.

24 (1) In general. In the case of an individual, base
25 income means an amount equal to the taxpayer's adjusted
26 gross income for the taxable year as modified by paragraph
27 (2).

28 (2) Modifications. The adjusted gross income referred
29 to in paragraph (1) shall be modified by adding thereto the
30 sum of the following amounts:

31 (A) An amount equal to all amounts paid or accrued
32 to the taxpayer as interest or dividends during the
33 taxable year to the extent excluded from gross income
34 in the computation of adjusted gross income, except

1 stock dividends of qualified public utilities
2 described in Section 305(e) of the Internal Revenue
3 Code;

4 (B) An amount equal to the amount of tax imposed by
5 this Act to the extent deducted from gross income in
6 the computation of adjusted gross income for the
7 taxable year;

8 (C) An amount equal to the amount received during
9 the taxable year as a recovery or refund of real
10 property taxes paid with respect to the taxpayer's
11 principal residence under the Revenue Act of 1939 and
12 for which a deduction was previously taken under
13 subparagraph (L) of this paragraph (2) prior to July 1,
14 1991, the retrospective application date of Article 4
15 of Public Act 87-17. In the case of multi-unit or
16 multi-use structures and farm dwellings, the taxes on
17 the taxpayer's principal residence shall be that
18 portion of the total taxes for the entire property
19 which is attributable to such principal residence;

20 (D) An amount equal to the amount of the capital
21 gain deduction allowable under the Internal Revenue
22 Code, to the extent deducted from gross income in the
23 computation of adjusted gross income;

24 (D-5) An amount, to the extent not included in
25 adjusted gross income, equal to the amount of money
26 withdrawn by the taxpayer in the taxable year from a
27 medical care savings account and the interest earned on
28 the account in the taxable year of a withdrawal
29 pursuant to subsection (b) of Section 20 of the Medical
30 Care Savings Account Act or subsection (b) of Section
31 20 of the Medical Care Savings Account Act of 2000;

32 (D-10) For taxable years ending after December 31,
33 1997, an amount equal to any eligible remediation costs
34 that the individual deducted in computing adjusted
35 gross income and for which the individual claims a
36 credit under subsection (l) of Section 201;

1 (D-15) For taxable years 2001 and thereafter, an
2 amount equal to the bonus depreciation deduction (30%
3 of the adjusted basis of the qualified property) taken
4 on the taxpayer's federal income tax return for the
5 taxable year under subsection (k) of Section 168 of the
6 Internal Revenue Code;

7 (D-16) If the taxpayer reports a capital gain or
8 loss on the taxpayer's federal income tax return for
9 the taxable year based on a sale or transfer of
10 property for which the taxpayer was required in any
11 taxable year to make an addition modification under
12 subparagraph (D-15), then an amount equal to the
13 aggregate amount of the deductions taken in all taxable
14 years under subparagraph (Z) with respect to that
15 property.

16 The taxpayer is required to make the addition
17 modification under this subparagraph only once with
18 respect to any one piece of property;

19 (D-17) For taxable years ending on or after
20 December 31, 2004, an amount equal to the amount
21 otherwise allowed as a deduction in computing base
22 income for interest paid, accrued, or incurred,
23 directly or indirectly, to a foreign person who would
24 be a member of the same unitary business group but for
25 the fact that foreign person's business activity
26 outside the United States is 80% or more of the foreign
27 person's total business activity. The addition
28 modification required by this subparagraph shall be
29 reduced to the extent that dividends were included in
30 base income of the unitary group for the same taxable
31 year and received by the taxpayer or by a member of the
32 taxpayer's unitary business group (including amounts
33 included in gross income under Sections 951 through 964
34 of the Internal Revenue Code and amounts included in
35 gross income under Section 78 of the Internal Revenue
36 Code) with respect to the stock of the same person to

1 whom the interest was paid, accrued, or incurred.

2 This paragraph shall not apply to the following:

3 (i) an item of interest paid, accrued, or
4 incurred, directly or indirectly, to a foreign
5 person who is subject in a foreign country or
6 state, other than a state which requires mandatory
7 unitary reporting, to a tax on or measured by net
8 income with respect to such interest; or

9 (ii) an item of interest paid, accrued, or
10 incurred, directly or indirectly, to a foreign
11 person if the taxpayer can establish, based on a
12 preponderance of the evidence, both of the
13 following:

14 (a) the foreign person, during the same
15 taxable year, paid, accrued, or incurred, the
16 interest to a person that is not a related
17 member, and

18 (b) the transaction giving rise to the
19 interest expense between the taxpayer and the
20 foreign person did not have as a principal
21 purpose the avoidance of Illinois income tax,
22 and is paid pursuant to a contract or agreement
23 that reflects an arm's-length interest rate
24 and terms; or

25 (iii) the taxpayer can establish, based on
26 clear and convincing evidence, that the interest
27 paid, accrued, or incurred relates to a contract or
28 agreement entered into at arm's-length rates and
29 terms and the principal purpose for the payment is
30 not federal or Illinois tax avoidance; or

31 (iv) an item of interest paid, accrued, or
32 incurred, directly or indirectly, to a foreign
33 person if the taxpayer establishes by clear and
34 convincing evidence that the adjustments are
35 unreasonable; or if the taxpayer and the Director
36 agree in writing to the application or use of an

1 alternative method of apportionment under Section
2 304(f).

3 Nothing in this subsection shall preclude the
4 Director from making any other adjustment
5 otherwise allowed under Section 404 of this Act for
6 any tax year beginning after the effective date of
7 this amendment provided such adjustment is made
8 pursuant to regulation adopted by the Department
9 and such regulations provide methods and standards
10 by which the Department will utilize its authority
11 under Section 404 of this Act;

12 (D-18) For taxable years ending on or after
13 December 31, 2004, an amount equal to the amount of
14 intangible expenses and costs otherwise allowed as a
15 deduction in computing base income, and that were paid,
16 accrued, or incurred, directly or indirectly, to a
17 foreign person who would be a member of the same
18 unitary business group but for the fact that the
19 foreign person's business activity outside the United
20 States is 80% or more of that person's total business
21 activity. The addition modification required by this
22 subparagraph shall be reduced to the extent that
23 dividends were included in base income of the unitary
24 group for the same taxable year and received by the
25 taxpayer or by a member of the taxpayer's unitary
26 business group (including amounts included in gross
27 income under Sections 951 through 964 of the Internal
28 Revenue Code and amounts included in gross income under
29 Section 78 of the Internal Revenue Code) with respect
30 to the stock of the same person to whom the intangible
31 expenses and costs were directly or indirectly paid,
32 incurred, or accrued. The preceding sentence does not
33 apply to the extent that the same dividends caused a
34 reduction to the addition modification required under
35 Section 203(a)(2)(D-17) of this Act. As used in this
36 subparagraph, the term "intangible expenses and costs"

1 includes (1) expenses, losses, and costs for, or
2 related to, the direct or indirect acquisition, use,
3 maintenance or management, ownership, sale, exchange,
4 or any other disposition of intangible property; (2)
5 losses incurred, directly or indirectly, from
6 factoring transactions or discounting transactions;
7 (3) royalty, patent, technical, and copyright fees;
8 (4) licensing fees; and (5) other similar expenses and
9 costs. For purposes of this subparagraph, "intangible
10 property" includes patents, patent applications, trade
11 names, trademarks, service marks, copyrights, mask
12 works, trade secrets, and similar types of intangible
13 assets.

14 This paragraph shall not apply to the following:

15 (i) any item of intangible expenses or costs
16 paid, accrued, or incurred, directly or
17 indirectly, from a transaction with a foreign
18 person who is subject in a foreign country or
19 state, other than a state which requires mandatory
20 unitary reporting, to a tax on or measured by net
21 income with respect to such item; or

22 (ii) any item of intangible expense or cost
23 paid, accrued, or incurred, directly or
24 indirectly, if the taxpayer can establish, based
25 on a preponderance of the evidence, both of the
26 following:

27 (a) the foreign person during the same
28 taxable year paid, accrued, or incurred, the
29 intangible expense or cost to a person that is
30 not a related member, and

31 (b) the transaction giving rise to the
32 intangible expense or cost between the
33 taxpayer and the foreign person did not have as
34 a principal purpose the avoidance of Illinois
35 income tax, and is paid pursuant to a contract
36 or agreement that reflects arm's-length terms;

1 or

2 (iii) any item of intangible expense or cost
3 paid, accrued, or incurred, directly or
4 indirectly, from a transaction with a foreign
5 person if the taxpayer establishes by clear and
6 convincing evidence, that the adjustments are
7 unreasonable; or if the taxpayer and the Director
8 agree in writing to the application or use of an
9 alternative method of apportionment under Section
10 304(f);

11 Nothing in this subsection shall preclude the
12 Director from making any other adjustment
13 otherwise allowed under Section 404 of this Act for
14 any tax year beginning after the effective date of
15 this amendment provided such adjustment is made
16 pursuant to regulation adopted by the Department
17 and such regulations provide methods and standards
18 by which the Department will utilize its authority
19 under Section 404 of this Act;

20 (D-20) For taxable years beginning on or after
21 January 1, 2002, in the case of a distribution from a
22 qualified tuition program under Section 529 of the
23 Internal Revenue Code, other than (i) a distribution
24 from a College Savings Pool created under Section 16.5
25 of the State Treasurer Act or (ii) a distribution from
26 the Illinois Prepaid Tuition Trust Fund, an amount
27 equal to the amount excluded from gross income under
28 Section 529(c)(3)(B);

29 and by deducting from the total so obtained the sum of the
30 following amounts:

31 (E) For taxable years ending before December 31,
32 2001, any amount included in such total in respect of
33 any compensation (including but not limited to any
34 compensation paid or accrued to a serviceman while a
35 prisoner of war or missing in action) paid to a
36 resident by reason of being on active duty in the Armed

1 Forces of the United States and in respect of any
2 compensation paid or accrued to a resident who as a
3 governmental employee was a prisoner of war or missing
4 in action, and in respect of any compensation paid to a
5 resident in 1971 or thereafter for annual training
6 performed pursuant to Sections 502 and 503, Title 32,
7 United States Code as a member of the Illinois National
8 Guard. For taxable years ending on or after December
9 31, 2001, any amount included in such total in respect
10 of any compensation (including but not limited to any
11 compensation paid or accrued to a serviceman while a
12 prisoner of war or missing in action) paid to a
13 resident by reason of being a member of any component
14 of the Armed Forces of the United States and in respect
15 of any compensation paid or accrued to a resident who
16 as a governmental employee was a prisoner of war or
17 missing in action, and in respect of any compensation
18 paid to a resident in 2001 or thereafter by reason of
19 being a member of the Illinois National Guard. The
20 provisions of this amendatory Act of the 92nd General
21 Assembly are exempt from the provisions of Section 250;

22 (F) An amount equal to all amounts included in such
23 total pursuant to the provisions of Sections 402(a),
24 402(c), 403(a), 403(b), 406(a), 407(a), and 408 of the
25 Internal Revenue Code, or included in such total as
26 distributions under the provisions of any retirement
27 or disability plan for employees of any governmental
28 agency or unit, or retirement payments to retired
29 partners, which payments are excluded in computing net
30 earnings from self employment by Section 1402 of the
31 Internal Revenue Code and regulations adopted pursuant
32 thereto;

33 (G) The valuation limitation amount;

34 (H) An amount equal to the amount of any tax
35 imposed by this Act which was refunded to the taxpayer
36 and included in such total for the taxable year;

1 (I) An amount equal to all amounts included in such
2 total pursuant to the provisions of Section 111 of the
3 Internal Revenue Code as a recovery of items previously
4 deducted from adjusted gross income in the computation
5 of taxable income;

6 (J) An amount equal to those dividends included in
7 such total which were paid by a corporation which
8 conducts business operations in an Enterprise Zone or
9 zones created under the Illinois Enterprise Zone Act,
10 and conducts substantially all of its operations in an
11 Enterprise Zone or zones;

12 (K) An amount equal to those dividends included in
13 such total that were paid by a corporation that
14 conducts business operations in a federally designated
15 Foreign Trade Zone or Sub-Zone and that is designated a
16 High Impact Business located in Illinois; provided
17 that dividends eligible for the deduction provided in
18 subparagraph (J) of paragraph (2) of this subsection
19 shall not be eligible for the deduction provided under
20 this subparagraph (K);

21 (L) For taxable years ending after December 31,
22 1983, an amount equal to all social security benefits
23 and railroad retirement benefits included in such
24 total pursuant to Sections 72(r) and 86 of the Internal
25 Revenue Code;

26 (M) With the exception of any amounts subtracted
27 under subparagraph (N), an amount equal to the sum of
28 all amounts disallowed as deductions by (i) Sections
29 171(a) (2), and 265(2) of the Internal Revenue Code of
30 1954, as now or hereafter amended, and all amounts of
31 expenses allocable to interest and disallowed as
32 deductions by Section 265(1) of the Internal Revenue
33 Code of 1954, as now or hereafter amended; and (ii) for
34 taxable years ending on or after August 13, 1999,
35 Sections 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of
36 the Internal Revenue Code; the provisions of this

1 subparagraph are exempt from the provisions of Section
2 250;

3 (N) An amount equal to all amounts included in such
4 total which are exempt from taxation by this State
5 either by reason of its statutes or Constitution or by
6 reason of the Constitution, treaties or statutes of the
7 United States; provided that, in the case of any
8 statute of this State that exempts income derived from
9 bonds or other obligations from the tax imposed under
10 this Act, the amount exempted shall be the interest net
11 of bond premium amortization;

12 (O) An amount equal to any contribution made to a
13 job training project established pursuant to the Tax
14 Increment Allocation Redevelopment Act;

15 (P) An amount equal to the amount of the deduction
16 used to compute the federal income tax credit for
17 restoration of substantial amounts held under claim of
18 right for the taxable year pursuant to Section 1341 of
19 the Internal Revenue Code of 1986;

20 (Q) An amount equal to any amounts included in such
21 total, received by the taxpayer as an acceleration in
22 the payment of life, endowment or annuity benefits in
23 advance of the time they would otherwise be payable as
24 an indemnity for a terminal illness;

25 (R) An amount equal to the amount of any federal or
26 State bonus paid to veterans of the Persian Gulf War;

27 (S) An amount, to the extent included in adjusted
28 gross income, equal to the amount of a contribution
29 made in the taxable year on behalf of the taxpayer to a
30 medical care savings account established under the
31 Medical Care Savings Account Act or the Medical Care
32 Savings Account Act of 2000 to the extent the
33 contribution is accepted by the account administrator
34 as provided in that Act;

35 (T) An amount, to the extent included in adjusted
36 gross income, equal to the amount of interest earned in

1 the taxable year on a medical care savings account
2 established under the Medical Care Savings Account Act
3 or the Medical Care Savings Account Act of 2000 on
4 behalf of the taxpayer, other than interest added
5 pursuant to item (D-5) of this paragraph (2);

6 (U) For one taxable year beginning on or after
7 January 1, 1994, an amount equal to the total amount of
8 tax imposed and paid under subsections (a) and (b) of
9 Section 201 of this Act on grant amounts received by
10 the taxpayer under the Nursing Home Grant Assistance
11 Act during the taxpayer's taxable years 1992 and 1993;

12 (V) Beginning with tax years ending on or after
13 December 31, 1995 and ending with tax years ending on
14 or before December 31, 2004, an amount equal to the
15 amount paid by a taxpayer who is a self-employed
16 taxpayer, a partner of a partnership, or a shareholder
17 in a Subchapter S corporation for health insurance or
18 long-term care insurance for that taxpayer or that
19 taxpayer's spouse or dependents, to the extent that the
20 amount paid for that health insurance or long-term care
21 insurance may be deducted under Section 213 of the
22 Internal Revenue Code of 1986, has not been deducted on
23 the federal income tax return of the taxpayer, and does
24 not exceed the taxable income attributable to that
25 taxpayer's income, self-employment income, or
26 Subchapter S corporation income; except that no
27 deduction shall be allowed under this item (V) if the
28 taxpayer is eligible to participate in any health
29 insurance or long-term care insurance plan of an
30 employer of the taxpayer or the taxpayer's spouse. The
31 amount of the health insurance and long-term care
32 insurance subtracted under this item (V) shall be
33 determined by multiplying total health insurance and
34 long-term care insurance premiums paid by the taxpayer
35 times a number that represents the fractional
36 percentage of eligible medical expenses under Section

1 213 of the Internal Revenue Code of 1986 not actually
2 deducted on the taxpayer's federal income tax return;

3 (W) For taxable years beginning on or after January
4 1, 1998, all amounts included in the taxpayer's federal
5 gross income in the taxable year from amounts converted
6 from a regular IRA to a Roth IRA. This paragraph is
7 exempt from the provisions of Section 250;

8 (X) For taxable year 1999 and thereafter, an amount
9 equal to the amount of any (i) distributions, to the
10 extent includible in gross income for federal income
11 tax purposes, made to the taxpayer because of his or
12 her status as a victim of persecution for racial or
13 religious reasons by Nazi Germany or any other Axis
14 regime or as an heir of the victim and (ii) items of
15 income, to the extent includible in gross income for
16 federal income tax purposes, attributable to, derived
17 from or in any way related to assets stolen from,
18 hidden from, or otherwise lost to a victim of
19 persecution for racial or religious reasons by Nazi
20 Germany or any other Axis regime immediately prior to,
21 during, and immediately after World War II, including,
22 but not limited to, interest on the proceeds receivable
23 as insurance under policies issued to a victim of
24 persecution for racial or religious reasons by Nazi
25 Germany or any other Axis regime by European insurance
26 companies immediately prior to and during World War II;
27 provided, however, this subtraction from federal
28 adjusted gross income does not apply to assets acquired
29 with such assets or with the proceeds from the sale of
30 such assets; provided, further, this paragraph shall
31 only apply to a taxpayer who was the first recipient of
32 such assets after their recovery and who is a victim of
33 persecution for racial or religious reasons by Nazi
34 Germany or any other Axis regime or as an heir of the
35 victim. The amount of and the eligibility for any
36 public assistance, benefit, or similar entitlement is

1 not affected by the inclusion of items (i) and (ii) of
2 this paragraph in gross income for federal income tax
3 purposes. This paragraph is exempt from the provisions
4 of Section 250;

5 (Y) For taxable years beginning on or after January
6 1, 2002 and ending on or before December 31, 2004,
7 moneys contributed in the taxable year to a College
8 Savings Pool account under Section 16.5 of the State
9 Treasurer Act, except that amounts excluded from gross
10 income under Section 529(c)(3)(C)(i) of the Internal
11 Revenue Code shall not be considered moneys
12 contributed under this subparagraph (Y). For taxable
13 years beginning on or after January 1, 2005, a maximum
14 of \$10,000 contributed in the taxable year to (i) a
15 College Savings Pool account under Section 16.5 of the
16 State Treasurer Act or (ii) the Illinois Prepaid
17 Tuition Trust Fund, except that amounts excluded from
18 gross income under Section 529(c)(3)(C)(i) of the
19 Internal Revenue Code shall not be considered moneys
20 contributed under this subparagraph (Y). This
21 subparagraph (Y) is exempt from the provisions of
22 Section 250;

23 (Z) For taxable years 2001 and thereafter, for the
24 taxable year in which the bonus depreciation deduction
25 (30% of the adjusted basis of the qualified property)
26 is taken on the taxpayer's federal income tax return
27 under subsection (k) of Section 168 of the Internal
28 Revenue Code and for each applicable taxable year
29 thereafter, an amount equal to "x", where:

30 (1) "y" equals the amount of the depreciation
31 deduction taken for the taxable year on the
32 taxpayer's federal income tax return on property
33 for which the bonus depreciation deduction (30% of
34 the adjusted basis of the qualified property) was
35 taken in any year under subsection (k) of Section
36 168 of the Internal Revenue Code, but not including

1 the bonus depreciation deduction; and

2 (2) "x" equals "y" multiplied by 30 and then
3 divided by 70 (or "y" multiplied by 0.429).

4 The aggregate amount deducted under this
5 subparagraph in all taxable years for any one piece of
6 property may not exceed the amount of the bonus
7 depreciation deduction (30% of the adjusted basis of
8 the qualified property) taken on that property on the
9 taxpayer's federal income tax return under subsection
10 (k) of Section 168 of the Internal Revenue Code;

11 (AA) If the taxpayer reports a capital gain or loss
12 on the taxpayer's federal income tax return for the
13 taxable year based on a sale or transfer of property
14 for which the taxpayer was required in any taxable year
15 to make an addition modification under subparagraph
16 (D-15), then an amount equal to that addition
17 modification.

18 The taxpayer is allowed to take the deduction under
19 this subparagraph only once with respect to any one
20 piece of property;

21 (BB) Any amount included in adjusted gross income,
22 other than salary, received by a driver in a
23 ridesharing arrangement using a motor vehicle;

24 (CC) The amount of (i) any interest income (net of
25 the deductions allocable thereto) taken into account
26 for the taxable year with respect to a transaction with
27 a taxpayer that is required to make an addition
28 modification with respect to such transaction under
29 Section 203(a)(2)(D-17), 203(b)(2)(E-13),
30 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
31 the amount of that addition modification, and (ii) any
32 income from intangible property (net of the deductions
33 allocable thereto) taken into account for the taxable
34 year with respect to a transaction with a taxpayer that
35 is required to make an addition modification with
36 respect to such transaction under Section

1 203(a)(2)(D-18), 203(b)(2)(E-14), 203(c)(2)(G-13), or
2 203(d)(2)(D-8), but not to exceed the amount of that
3 addition modification;

4 (DD) An amount equal to the interest income taken
5 into account for the taxable year (net of the
6 deductions allocable thereto) with respect to
7 transactions with a foreign person who would be a
8 member of the taxpayer's unitary business group but for
9 the fact that the foreign person's business activity
10 outside the United States is 80% or more of that
11 person's total business activity, but not to exceed the
12 addition modification required to be made for the same
13 taxable year under Section 203(a)(2)(D-17) for
14 interest paid, accrued, or incurred, directly or
15 indirectly, to the same foreign person; and

16 (EE) An amount equal to the income from intangible
17 property taken into account for the taxable year (net
18 of the deductions allocable thereto) with respect to
19 transactions with a foreign person who would be a
20 member of the taxpayer's unitary business group but for
21 the fact that the foreign person's business activity
22 outside the United States is 80% or more of that
23 person's total business activity, but not to exceed the
24 addition modification required to be made for the same
25 taxable year under Section 203(a)(2)(D-18) for
26 intangible expenses and costs paid, accrued, or
27 incurred, directly or indirectly, to the same foreign
28 person.

29 (b) Corporations.

30 (1) In general. In the case of a corporation, base
31 income means an amount equal to the taxpayer's taxable
32 income for the taxable year as modified by paragraph (2).

33 (2) Modifications. The taxable income referred to in
34 paragraph (1) shall be modified by adding thereto the sum
35 of the following amounts:

1 (A) An amount equal to all amounts paid or accrued
2 to the taxpayer as interest and all distributions
3 received from regulated investment companies during
4 the taxable year to the extent excluded from gross
5 income in the computation of taxable income;

6 (B) An amount equal to the amount of tax imposed by
7 this Act to the extent deducted from gross income in
8 the computation of taxable income for the taxable year;

9 (C) In the case of a regulated investment company,
10 an amount equal to the excess of (i) the net long-term
11 capital gain for the taxable year, over (ii) the amount
12 of the capital gain dividends designated as such in
13 accordance with Section 852(b)(3)(C) of the Internal
14 Revenue Code and any amount designated under Section
15 852(b)(3)(D) of the Internal Revenue Code,
16 attributable to the taxable year (this amendatory Act
17 of 1995 (Public Act 89-89) is declarative of existing
18 law and is not a new enactment);

19 (D) The amount of any net operating loss deduction
20 taken in arriving at taxable income, other than a net
21 operating loss carried forward from a taxable year
22 ending prior to December 31, 1986;

23 (E) For taxable years in which a net operating loss
24 carryback or carryforward from a taxable year ending
25 prior to December 31, 1986 is an element of taxable
26 income under paragraph (1) of subsection (e) or
27 subparagraph (E) of paragraph (2) of subsection (e),
28 the amount by which addition modifications other than
29 those provided by this subparagraph (E) exceeded
30 subtraction modifications in such earlier taxable
31 year, with the following limitations applied in the
32 order that they are listed:

33 (i) the addition modification relating to the
34 net operating loss carried back or forward to the
35 taxable year from any taxable year ending prior to
36 December 31, 1986 shall be reduced by the amount of

1 addition modification under this subparagraph (E)
2 which related to that net operating loss and which
3 was taken into account in calculating the base
4 income of an earlier taxable year, and

5 (ii) the addition modification relating to the
6 net operating loss carried back or forward to the
7 taxable year from any taxable year ending prior to
8 December 31, 1986 shall not exceed the amount of
9 such carryback or carryforward;

10 For taxable years in which there is a net operating
11 loss carryback or carryforward from more than one other
12 taxable year ending prior to December 31, 1986, the
13 addition modification provided in this subparagraph
14 (E) shall be the sum of the amounts computed
15 independently under the preceding provisions of this
16 subparagraph (E) for each such taxable year;

17 (E-5) For taxable years ending after December 31,
18 1997, an amount equal to any eligible remediation costs
19 that the corporation deducted in computing adjusted
20 gross income and for which the corporation claims a
21 credit under subsection (l) of Section 201;

22 (E-10) For taxable years 2001 and thereafter, an
23 amount equal to the bonus depreciation deduction (30%
24 of the adjusted basis of the qualified property) taken
25 on the taxpayer's federal income tax return for the
26 taxable year under subsection (k) of Section 168 of the
27 Internal Revenue Code; and

28 (E-11) If the taxpayer reports a capital gain or
29 loss on the taxpayer's federal income tax return for
30 the taxable year based on a sale or transfer of
31 property for which the taxpayer was required in any
32 taxable year to make an addition modification under
33 subparagraph (E-10), then an amount equal to the
34 aggregate amount of the deductions taken in all taxable
35 years under subparagraph (T) with respect to that
36 property.

1 taxable year, paid, accrued, or incurred, the
2 interest to a person that is not a related
3 member, and

4 (b) the transaction giving rise to the
5 interest expense between the taxpayer and the
6 foreign person did not have as a principal
7 purpose the avoidance of Illinois income tax,
8 and is paid pursuant to a contract or agreement
9 that reflects an arm's-length interest rate
10 and terms; or

11 (iii) the taxpayer can establish, based on
12 clear and convincing evidence, that the interest
13 paid, accrued, or incurred relates to a contract or
14 agreement entered into at arm's-length rates and
15 terms and the principal purpose for the payment is
16 not federal or Illinois tax avoidance; or

17 (iv) an item of interest paid, accrued, or
18 incurred, directly or indirectly, to a foreign
19 person if the taxpayer establishes by clear and
20 convincing evidence that the adjustments are
21 unreasonable; or if the taxpayer and the Director
22 agree in writing to the application or use of an
23 alternative method of apportionment under Section
24 304(f).

25 Nothing in this subsection shall preclude the
26 Director from making any other adjustment
27 otherwise allowed under Section 404 of this Act for
28 any tax year beginning after the effective date of
29 this amendment provided such adjustment is made
30 pursuant to regulation adopted by the Department
31 and such regulations provide methods and standards
32 by which the Department will utilize its authority
33 under Section 404 of this Act;

34 (E-13) For taxable years ending on or after
35 December 31, 2004, an amount equal to the amount of
36 intangible expenses and costs otherwise allowed as a

1 deduction in computing base income, and that were paid,
2 accrued, or incurred, directly or indirectly, to a
3 foreign person who would be a member of the same
4 unitary business group but for the fact that the
5 foreign person's business activity outside the United
6 States is 80% or more of that person's total business
7 activity. The addition modification required by this
8 subparagraph shall be reduced to the extent that
9 dividends were included in base income of the unitary
10 group for the same taxable year and received by the
11 taxpayer or by a member of the taxpayer's unitary
12 business group (including amounts included in gross
13 income pursuant to Sections 951 through 964 of the
14 Internal Revenue Code and amounts included in gross
15 income under Section 78 of the Internal Revenue Code)
16 with respect to the stock of the same person to whom
17 the intangible expenses and costs were directly or
18 indirectly paid, incurred, or accrued. The preceding
19 sentence shall not apply to the extent that the same
20 dividends caused a reduction to the addition
21 modification required under Section 203(b)(2)(E-12) of
22 this Act. As used in this subparagraph, the term
23 "intangible expenses and costs" includes (1) expenses,
24 losses, and costs for, or related to, the direct or
25 indirect acquisition, use, maintenance or management,
26 ownership, sale, exchange, or any other disposition of
27 intangible property; (2) losses incurred, directly or
28 indirectly, from factoring transactions or discounting
29 transactions; (3) royalty, patent, technical, and
30 copyright fees; (4) licensing fees; and (5) other
31 similar expenses and costs. For purposes of this
32 subparagraph, "intangible property" includes patents,
33 patent applications, trade names, trademarks, service
34 marks, copyrights, mask works, trade secrets, and
35 similar types of intangible assets.

36 This paragraph shall not apply to the following:

1 (i) any item of intangible expenses or costs
2 paid, accrued, or incurred, directly or
3 indirectly, from a transaction with a foreign
4 person who is subject in a foreign country or
5 state, other than a state which requires mandatory
6 unitary reporting, to a tax on or measured by net
7 income with respect to such item; or

8 (ii) any item of intangible expense or cost
9 paid, accrued, or incurred, directly or
10 indirectly, if the taxpayer can establish, based
11 on a preponderance of the evidence, both of the
12 following:

13 (a) the foreign person during the same
14 taxable year paid, accrued, or incurred, the
15 intangible expense or cost to a person that is
16 not a related member, and

17 (b) the transaction giving rise to the
18 intangible expense or cost between the
19 taxpayer and the foreign person did not have as
20 a principal purpose the avoidance of Illinois
21 income tax, and is paid pursuant to a contract
22 or agreement that reflects arm's-length terms;
23 or

24 (iii) any item of intangible expense or cost
25 paid, accrued, or incurred, directly or
26 indirectly, from a transaction with a foreign
27 person if the taxpayer establishes by clear and
28 convincing evidence, that the adjustments are
29 unreasonable; or if the taxpayer and the Director
30 agree in writing to the application or use of an
31 alternative method of apportionment under Section
32 304(f);

33 Nothing in this subsection shall preclude the
34 Director from making any other adjustment
35 otherwise allowed under Section 404 of this Act for
36 any tax year beginning after the effective date of

1 this amendment provided such adjustment is made
2 pursuant to regulation adopted by the Department
3 and such regulations provide methods and standards
4 by which the Department will utilize its authority
5 under Section 404 of this Act;

6 and by deducting from the total so obtained the sum of the
7 following amounts:

8 (F) An amount equal to the amount of any tax
9 imposed by this Act which was refunded to the taxpayer
10 and included in such total for the taxable year;

11 (G) An amount equal to any amount included in such
12 total under Section 78 of the Internal Revenue Code;

13 (H) In the case of a regulated investment company,
14 an amount equal to the amount of exempt interest
15 dividends as defined in subsection (b) (5) of Section
16 852 of the Internal Revenue Code, paid to shareholders
17 for the taxable year;

18 (I) With the exception of any amounts subtracted
19 under subparagraph (J), an amount equal to the sum of
20 all amounts disallowed as deductions by (i) Sections
21 171(a) (2), and 265(a) (2) and amounts disallowed as
22 interest expense by Section 291(a) (3) of the Internal
23 Revenue Code, as now or hereafter amended, and all
24 amounts of expenses allocable to interest and
25 disallowed as deductions by Section 265(a) (1) of the
26 Internal Revenue Code, as now or hereafter amended; and
27 (ii) for taxable years ending on or after August 13,
28 1999, Sections 171(a) (2), 265, 280C, 291(a) (3), and
29 832(b) (5) (B) (i) of the Internal Revenue Code; the
30 provisions of this subparagraph are exempt from the
31 provisions of Section 250;

32 (J) An amount equal to all amounts included in such
33 total which are exempt from taxation by this State
34 either by reason of its statutes or Constitution or by
35 reason of the Constitution, treaties or statutes of the
36 United States; provided that, in the case of any

1 statute of this State that exempts income derived from
2 bonds or other obligations from the tax imposed under
3 this Act, the amount exempted shall be the interest net
4 of bond premium amortization;

5 (K) An amount equal to those dividends included in
6 such total which were paid by a corporation which
7 conducts business operations in an Enterprise Zone or
8 zones created under the Illinois Enterprise Zone Act
9 and conducts substantially all of its operations in an
10 Enterprise Zone or zones;

11 (L) An amount equal to those dividends included in
12 such total that were paid by a corporation that
13 conducts business operations in a federally designated
14 Foreign Trade Zone or Sub-Zone and that is designated a
15 High Impact Business located in Illinois; provided
16 that dividends eligible for the deduction provided in
17 subparagraph (K) of paragraph 2 of this subsection
18 shall not be eligible for the deduction provided under
19 this subparagraph (L);

20 (M) For any taxpayer that is a financial
21 organization within the meaning of Section 304(c) of
22 this Act, an amount included in such total as interest
23 income from a loan or loans made by such taxpayer to a
24 borrower, to the extent that such a loan is secured by
25 property which is eligible for the Enterprise Zone
26 Investment Credit. To determine the portion of a loan
27 or loans that is secured by property eligible for a
28 Section 201(f) investment credit to the borrower, the
29 entire principal amount of the loan or loans between
30 the taxpayer and the borrower should be divided into
31 the basis of the Section 201(f) investment credit
32 property which secures the loan or loans, using for
33 this purpose the original basis of such property on the
34 date that it was placed in service in the Enterprise
35 Zone. The subtraction modification available to
36 taxpayer in any year under this subsection shall be

1 that portion of the total interest paid by the borrower
2 with respect to such loan attributable to the eligible
3 property as calculated under the previous sentence;

4 (M-1) For any taxpayer that is a financial
5 organization within the meaning of Section 304(c) of
6 this Act, an amount included in such total as interest
7 income from a loan or loans made by such taxpayer to a
8 borrower, to the extent that such a loan is secured by
9 property which is eligible for the High Impact Business
10 Investment Credit. To determine the portion of a loan
11 or loans that is secured by property eligible for a
12 Section 201(h) investment credit to the borrower, the
13 entire principal amount of the loan or loans between
14 the taxpayer and the borrower should be divided into
15 the basis of the Section 201(h) investment credit
16 property which secures the loan or loans, using for
17 this purpose the original basis of such property on the
18 date that it was placed in service in a federally
19 designated Foreign Trade Zone or Sub-Zone located in
20 Illinois. No taxpayer that is eligible for the
21 deduction provided in subparagraph (M) of paragraph
22 (2) of this subsection shall be eligible for the
23 deduction provided under this subparagraph (M-1). The
24 subtraction modification available to taxpayers in any
25 year under this subsection shall be that portion of the
26 total interest paid by the borrower with respect to
27 such loan attributable to the eligible property as
28 calculated under the previous sentence;

29 (N) Two times any contribution made during the
30 taxable year to a designated zone organization to the
31 extent that the contribution (i) qualifies as a
32 charitable contribution under subsection (c) of
33 Section 170 of the Internal Revenue Code and (ii) must,
34 by its terms, be used for a project approved by the
35 Department of Commerce and Economic Opportunity under
36 Section 11 of the Illinois Enterprise Zone Act;

1 (O) An amount equal to: (i) 85% for taxable years
2 ending on or before December 31, 1992, or, a percentage
3 equal to the percentage allowable under Section
4 243(a)(1) of the Internal Revenue Code of 1986 for
5 taxable years ending after December 31, 1992, of the
6 amount by which dividends included in taxable income
7 and received from a corporation that is not created or
8 organized under the laws of the United States or any
9 state or political subdivision thereof, including, for
10 taxable years ending on or after December 31, 1988,
11 dividends received or deemed received or paid or deemed
12 paid under Sections 951 through 964 of the Internal
13 Revenue Code, exceed the amount of the modification
14 provided under subparagraph (G) of paragraph (2) of
15 this subsection (b) which is related to such dividends;
16 plus (ii) 100% of the amount by which dividends,
17 included in taxable income and received, including,
18 for taxable years ending on or after December 31, 1988,
19 dividends received or deemed received or paid or deemed
20 paid under Sections 951 through 964 of the Internal
21 Revenue Code, from any such corporation specified in
22 clause (i) that would but for the provisions of Section
23 1504 (b) (3) of the Internal Revenue Code be treated as
24 a member of the affiliated group which includes the
25 dividend recipient, exceed the amount of the
26 modification provided under subparagraph (G) of
27 paragraph (2) of this subsection (b) which is related
28 to such dividends;

29 (P) An amount equal to any contribution made to a
30 job training project established pursuant to the Tax
31 Increment Allocation Redevelopment Act;

32 (Q) An amount equal to the amount of the deduction
33 used to compute the federal income tax credit for
34 restoration of substantial amounts held under claim of
35 right for the taxable year pursuant to Section 1341 of
36 the Internal Revenue Code of 1986;

1 (R) In the case of an attorney-in-fact with respect
2 to whom an interinsurer or a reciprocal insurer has
3 made the election under Section 835 of the Internal
4 Revenue Code, 26 U.S.C. 835, an amount equal to the
5 excess, if any, of the amounts paid or incurred by that
6 interinsurer or reciprocal insurer in the taxable year
7 to the attorney-in-fact over the deduction allowed to
8 that interinsurer or reciprocal insurer with respect
9 to the attorney-in-fact under Section 835(b) of the
10 Internal Revenue Code for the taxable year;

11 (S) For taxable years ending on or after December
12 31, 1997, in the case of a Subchapter S corporation, an
13 amount equal to all amounts of income allocable to a
14 shareholder subject to the Personal Property Tax
15 Replacement Income Tax imposed by subsections (c) and
16 (d) of Section 201 of this Act, including amounts
17 allocable to organizations exempt from federal income
18 tax by reason of Section 501(a) of the Internal Revenue
19 Code. This subparagraph (S) is exempt from the
20 provisions of Section 250;

21 (T) For taxable years 2001 and thereafter, for the
22 taxable year in which the bonus depreciation deduction
23 (30% of the adjusted basis of the qualified property)
24 is taken on the taxpayer's federal income tax return
25 under subsection (k) of Section 168 of the Internal
26 Revenue Code and for each applicable taxable year
27 thereafter, an amount equal to "x", where:

28 (1) "y" equals the amount of the depreciation
29 deduction taken for the taxable year on the
30 taxpayer's federal income tax return on property
31 for which the bonus depreciation deduction (30% of
32 the adjusted basis of the qualified property) was
33 taken in any year under subsection (k) of Section
34 168 of the Internal Revenue Code, but not including
35 the bonus depreciation deduction; and

36 (2) "x" equals "y" multiplied by 30 and then

1 divided by 70 (or "y" multiplied by 0.429).

2 The aggregate amount deducted under this
3 subparagraph in all taxable years for any one piece of
4 property may not exceed the amount of the bonus
5 depreciation deduction (30% of the adjusted basis of
6 the qualified property) taken on that property on the
7 taxpayer's federal income tax return under subsection
8 (k) of Section 168 of the Internal Revenue Code;

9 (U) If the taxpayer reports a capital gain or loss
10 on the taxpayer's federal income tax return for the
11 taxable year based on a sale or transfer of property
12 for which the taxpayer was required in any taxable year
13 to make an addition modification under subparagraph
14 (E-10), then an amount equal to that addition
15 modification.

16 The taxpayer is allowed to take the deduction under
17 this subparagraph only once with respect to any one
18 piece of property;

19 (V) The amount of: (i) any interest income (net of
20 the deductions allocable thereto) taken into account
21 for the taxable year with respect to a transaction with
22 a taxpayer that is required to make an addition
23 modification with respect to such transaction under
24 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
25 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
26 the amount of such addition modification and (ii) any
27 income from intangible property (net of the deductions
28 allocable thereto) taken into account for the taxable
29 year with respect to a transaction with a taxpayer that
30 is required to make an addition modification with
31 respect to such transaction under Section
32 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
33 203(d)(2)(D-8), but not to exceed the amount of such
34 addition modification;

35 (W) An amount equal to the interest income taken
36 into account for the taxable year (net of the

1 deductions allocable thereto) with respect to
2 transactions with a foreign person who would be a
3 member of the taxpayer's unitary business group but for
4 the fact that the foreign person's business activity
5 outside the United States is 80% or more of that
6 person's total business activity, but not to exceed the
7 addition modification required to be made for the same
8 taxable year under Section 203(b)(2)(E-12) for
9 interest paid, accrued, or incurred, directly or
10 indirectly, to the same foreign person; and

11 (X) An amount equal to the income from intangible
12 property taken into account for the taxable year (net
13 of the deductions allocable thereto) with respect to
14 transactions with a foreign person who would be a
15 member of the taxpayer's unitary business group but for
16 the fact that the foreign person's business activity
17 outside the United States is 80% or more of that
18 person's total business activity, but not to exceed the
19 addition modification required to be made for the same
20 taxable year under Section 203(b)(2)(E-13) for
21 intangible expenses and costs paid, accrued, or
22 incurred, directly or indirectly, to the same foreign
23 person.

24 (3) Special rule. For purposes of paragraph (2) (A),
25 "gross income" in the case of a life insurance company, for
26 tax years ending on and after December 31, 1994, shall mean
27 the gross investment income for the taxable year.

28 (c) Trusts and estates.

29 (1) In general. In the case of a trust or estate, base
30 income means an amount equal to the taxpayer's taxable
31 income for the taxable year as modified by paragraph (2).

32 (2) Modifications. Subject to the provisions of
33 paragraph (3), the taxable income referred to in paragraph
34 (1) shall be modified by adding thereto the sum of the
35 following amounts:

1 (A) An amount equal to all amounts paid or accrued
2 to the taxpayer as interest or dividends during the
3 taxable year to the extent excluded from gross income
4 in the computation of taxable income;

5 (B) In the case of (i) an estate, \$600; (ii) a
6 trust which, under its governing instrument, is
7 required to distribute all of its income currently,
8 \$300; and (iii) any other trust, \$100, but in each such
9 case, only to the extent such amount was deducted in
10 the computation of taxable income;

11 (C) An amount equal to the amount of tax imposed by
12 this Act to the extent deducted from gross income in
13 the computation of taxable income for the taxable year;

14 (D) The amount of any net operating loss deduction
15 taken in arriving at taxable income, other than a net
16 operating loss carried forward from a taxable year
17 ending prior to December 31, 1986;

18 (E) For taxable years in which a net operating loss
19 carryback or carryforward from a taxable year ending
20 prior to December 31, 1986 is an element of taxable
21 income under paragraph (1) of subsection (e) or
22 subparagraph (E) of paragraph (2) of subsection (e),
23 the amount by which addition modifications other than
24 those provided by this subparagraph (E) exceeded
25 subtraction modifications in such taxable year, with
26 the following limitations applied in the order that
27 they are listed:

28 (i) the addition modification relating to the
29 net operating loss carried back or forward to the
30 taxable year from any taxable year ending prior to
31 December 31, 1986 shall be reduced by the amount of
32 addition modification under this subparagraph (E)
33 which related to that net operating loss and which
34 was taken into account in calculating the base
35 income of an earlier taxable year, and

36 (ii) the addition modification relating to the

1 net operating loss carried back or forward to the
2 taxable year from any taxable year ending prior to
3 December 31, 1986 shall not exceed the amount of
4 such carryback or carryforward;

5 For taxable years in which there is a net operating
6 loss carryback or carryforward from more than one other
7 taxable year ending prior to December 31, 1986, the
8 addition modification provided in this subparagraph
9 (E) shall be the sum of the amounts computed
10 independently under the preceding provisions of this
11 subparagraph (E) for each such taxable year;

12 (F) For taxable years ending on or after January 1,
13 1989, an amount equal to the tax deducted pursuant to
14 Section 164 of the Internal Revenue Code if the trust
15 or estate is claiming the same tax for purposes of the
16 Illinois foreign tax credit under Section 601 of this
17 Act;

18 (G) An amount equal to the amount of the capital
19 gain deduction allowable under the Internal Revenue
20 Code, to the extent deducted from gross income in the
21 computation of taxable income;

22 (G-5) For taxable years ending after December 31,
23 1997, an amount equal to any eligible remediation costs
24 that the trust or estate deducted in computing adjusted
25 gross income and for which the trust or estate claims a
26 credit under subsection (l) of Section 201;

27 (G-10) For taxable years 2001 and thereafter, an
28 amount equal to the bonus depreciation deduction (30%
29 of the adjusted basis of the qualified property) taken
30 on the taxpayer's federal income tax return for the
31 taxable year under subsection (k) of Section 168 of the
32 Internal Revenue Code; and

33 (G-11) If the taxpayer reports a capital gain or
34 loss on the taxpayer's federal income tax return for
35 the taxable year based on a sale or transfer of
36 property for which the taxpayer was required in any

1 taxable year to make an addition modification under
2 subparagraph (G-10), then an amount equal to the
3 aggregate amount of the deductions taken in all taxable
4 years under subparagraph (R) with respect to that
5 property.

6 The taxpayer is required to make the addition
7 modification under this subparagraph only once with
8 respect to any one piece of property;

9 (G-12) For taxable years ending on or after
10 December 31, 2004, an amount equal to the amount
11 otherwise allowed as a deduction in computing base
12 income for interest paid, accrued, or incurred,
13 directly or indirectly, to a foreign person who would
14 be a member of the same unitary business group but for
15 the fact that the foreign person's business activity
16 outside the United States is 80% or more of the foreign
17 person's total business activity. The addition
18 modification required by this subparagraph shall be
19 reduced to the extent that dividends were included in
20 base income of the unitary group for the same taxable
21 year and received by the taxpayer or by a member of the
22 taxpayer's unitary business group (including amounts
23 included in gross income pursuant to Sections 951
24 through 964 of the Internal Revenue Code and amounts
25 included in gross income under Section 78 of the
26 Internal Revenue Code) with respect to the stock of the
27 same person to whom the interest was paid, accrued, or
28 incurred.

29 This paragraph shall not apply to the following:

30 (i) an item of interest paid, accrued, or
31 incurred, directly or indirectly, to a foreign
32 person who is subject in a foreign country or
33 state, other than a state which requires mandatory
34 unitary reporting, to a tax on or measured by net
35 income with respect to such interest; or

36 (ii) an item of interest paid, accrued, or

1 incurred, directly or indirectly, to a foreign
2 person if the taxpayer can establish, based on a
3 preponderance of the evidence, both of the
4 following:

5 (a) the foreign person, during the same
6 taxable year, paid, accrued, or incurred, the
7 interest to a person that is not a related
8 member, and

9 (b) the transaction giving rise to the
10 interest expense between the taxpayer and the
11 foreign person did not have as a principal
12 purpose the avoidance of Illinois income tax,
13 and is paid pursuant to a contract or agreement
14 that reflects an arm's-length interest rate
15 and terms; or

16 (iii) the taxpayer can establish, based on
17 clear and convincing evidence, that the interest
18 paid, accrued, or incurred relates to a contract or
19 agreement entered into at arm's-length rates and
20 terms and the principal purpose for the payment is
21 not federal or Illinois tax avoidance; or

22 (iv) an item of interest paid, accrued, or
23 incurred, directly or indirectly, to a foreign
24 person if the taxpayer establishes by clear and
25 convincing evidence that the adjustments are
26 unreasonable; or if the taxpayer and the Director
27 agree in writing to the application or use of an
28 alternative method of apportionment under Section
29 304(f).

30 Nothing in this subsection shall preclude the
31 Director from making any other adjustment
32 otherwise allowed under Section 404 of this Act for
33 any tax year beginning after the effective date of
34 this amendment provided such adjustment is made
35 pursuant to regulation adopted by the Department
36 and such regulations provide methods and standards

1 by which the Department will utilize its authority
2 under Section 404 of this Act;

3 (G-13) For taxable years ending on or after
4 December 31, 2004, an amount equal to the amount of
5 intangible expenses and costs otherwise allowed as a
6 deduction in computing base income, and that were paid,
7 accrued, or incurred, directly or indirectly, to a
8 foreign person who would be a member of the same
9 unitary business group but for the fact that the
10 foreign person's business activity outside the United
11 States is 80% or more of that person's total business
12 activity. The addition modification required by this
13 subparagraph shall be reduced to the extent that
14 dividends were included in base income of the unitary
15 group for the same taxable year and received by the
16 taxpayer or by a member of the taxpayer's unitary
17 business group (including amounts included in gross
18 income pursuant to Sections 951 through 964 of the
19 Internal Revenue Code and amounts included in gross
20 income under Section 78 of the Internal Revenue Code)
21 with respect to the stock of the same person to whom
22 the intangible expenses and costs were directly or
23 indirectly paid, incurred, or accrued. The preceding
24 sentence shall not apply to the extent that the same
25 dividends caused a reduction to the addition
26 modification required under Section 203(c)(2)(G-12) of
27 this Act. As used in this subparagraph, the term
28 "intangible expenses and costs" includes: (1)
29 expenses, losses, and costs for or related to the
30 direct or indirect acquisition, use, maintenance or
31 management, ownership, sale, exchange, or any other
32 disposition of intangible property; (2) losses
33 incurred, directly or indirectly, from factoring
34 transactions or discounting transactions; (3) royalty,
35 patent, technical, and copyright fees; (4) licensing
36 fees; and (5) other similar expenses and costs. For

1 purposes of this subparagraph, "intangible property"
2 includes patents, patent applications, trade names,
3 trademarks, service marks, copyrights, mask works,
4 trade secrets, and similar types of intangible assets.

5 This paragraph shall not apply to the following:

6 (i) any item of intangible expenses or costs
7 paid, accrued, or incurred, directly or
8 indirectly, from a transaction with a foreign
9 person who is subject in a foreign country or
10 state, other than a state which requires mandatory
11 unitary reporting, to a tax on or measured by net
12 income with respect to such item; or

13 (ii) any item of intangible expense or cost
14 paid, accrued, or incurred, directly or
15 indirectly, if the taxpayer can establish, based
16 on a preponderance of the evidence, both of the
17 following:

18 (a) the foreign person during the same
19 taxable year paid, accrued, or incurred, the
20 intangible expense or cost to a person that is
21 not a related member, and

22 (b) the transaction giving rise to the
23 intangible expense or cost between the
24 taxpayer and the foreign person did not have as
25 a principal purpose the avoidance of Illinois
26 income tax, and is paid pursuant to a contract
27 or agreement that reflects arm's-length terms;
28 or

29 (iii) any item of intangible expense or cost
30 paid, accrued, or incurred, directly or
31 indirectly, from a transaction with a foreign
32 person if the taxpayer establishes by clear and
33 convincing evidence, that the adjustments are
34 unreasonable; or if the taxpayer and the Director
35 agree in writing to the application or use of an
36 alternative method of apportionment under Section

1 304(f);

2 Nothing in this subsection shall preclude the
3 Director from making any other adjustment
4 otherwise allowed under Section 404 of this Act for
5 any tax year beginning after the effective date of
6 this amendment provided such adjustment is made
7 pursuant to regulation adopted by the Department
8 and such regulations provide methods and standards
9 by which the Department will utilize its authority
10 under Section 404 of this Act;

11 and by deducting from the total so obtained the sum of the
12 following amounts:

13 (H) An amount equal to all amounts included in such
14 total pursuant to the provisions of Sections 402(a),
15 402(c), 403(a), 403(b), 406(a), 407(a) and 408 of the
16 Internal Revenue Code or included in such total as
17 distributions under the provisions of any retirement
18 or disability plan for employees of any governmental
19 agency or unit, or retirement payments to retired
20 partners, which payments are excluded in computing net
21 earnings from self employment by Section 1402 of the
22 Internal Revenue Code and regulations adopted pursuant
23 thereto;

24 (I) The valuation limitation amount;

25 (J) An amount equal to the amount of any tax
26 imposed by this Act which was refunded to the taxpayer
27 and included in such total for the taxable year;

28 (K) An amount equal to all amounts included in
29 taxable income as modified by subparagraphs (A), (B),
30 (C), (D), (E), (F) and (G) which are exempt from
31 taxation by this State either by reason of its statutes
32 or Constitution or by reason of the Constitution,
33 treaties or statutes of the United States; provided
34 that, in the case of any statute of this State that
35 exempts income derived from bonds or other obligations
36 from the tax imposed under this Act, the amount

1 exempted shall be the interest net of bond premium
2 amortization;

3 (L) With the exception of any amounts subtracted
4 under subparagraph (K), an amount equal to the sum of
5 all amounts disallowed as deductions by (i) Sections
6 171(a) (2) and 265(a) (2) of the Internal Revenue Code,
7 as now or hereafter amended, and all amounts of
8 expenses allocable to interest and disallowed as
9 deductions by Section 265(1) of the Internal Revenue
10 Code of 1954, as now or hereafter amended; and (ii) for
11 taxable years ending on or after August 13, 1999,
12 Sections 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of
13 the Internal Revenue Code; the provisions of this
14 subparagraph are exempt from the provisions of Section
15 250;

16 (M) An amount equal to those dividends included in
17 such total which were paid by a corporation which
18 conducts business operations in an Enterprise Zone or
19 zones created under the Illinois Enterprise Zone Act
20 and conducts substantially all of its operations in an
21 Enterprise Zone or Zones;

22 (N) An amount equal to any contribution made to a
23 job training project established pursuant to the Tax
24 Increment Allocation Redevelopment Act;

25 (O) An amount equal to those dividends included in
26 such total that were paid by a corporation that
27 conducts business operations in a federally designated
28 Foreign Trade Zone or Sub-Zone and that is designated a
29 High Impact Business located in Illinois; provided
30 that dividends eligible for the deduction provided in
31 subparagraph (M) of paragraph (2) of this subsection
32 shall not be eligible for the deduction provided under
33 this subparagraph (O);

34 (P) An amount equal to the amount of the deduction
35 used to compute the federal income tax credit for
36 restoration of substantial amounts held under claim of

1 right for the taxable year pursuant to Section 1341 of
2 the Internal Revenue Code of 1986;

3 (Q) For taxable year 1999 and thereafter, an amount
4 equal to the amount of any (i) distributions, to the
5 extent includible in gross income for federal income
6 tax purposes, made to the taxpayer because of his or
7 her status as a victim of persecution for racial or
8 religious reasons by Nazi Germany or any other Axis
9 regime or as an heir of the victim and (ii) items of
10 income, to the extent includible in gross income for
11 federal income tax purposes, attributable to, derived
12 from or in any way related to assets stolen from,
13 hidden from, or otherwise lost to a victim of
14 persecution for racial or religious reasons by Nazi
15 Germany or any other Axis regime immediately prior to,
16 during, and immediately after World War II, including,
17 but not limited to, interest on the proceeds receivable
18 as insurance under policies issued to a victim of
19 persecution for racial or religious reasons by Nazi
20 Germany or any other Axis regime by European insurance
21 companies immediately prior to and during World War II;
22 provided, however, this subtraction from federal
23 adjusted gross income does not apply to assets acquired
24 with such assets or with the proceeds from the sale of
25 such assets; provided, further, this paragraph shall
26 only apply to a taxpayer who was the first recipient of
27 such assets after their recovery and who is a victim of
28 persecution for racial or religious reasons by Nazi
29 Germany or any other Axis regime or as an heir of the
30 victim. The amount of and the eligibility for any
31 public assistance, benefit, or similar entitlement is
32 not affected by the inclusion of items (i) and (ii) of
33 this paragraph in gross income for federal income tax
34 purposes. This paragraph is exempt from the provisions
35 of Section 250;

36 (R) For taxable years 2001 and thereafter, for the

1 taxable year in which the bonus depreciation deduction
2 (30% of the adjusted basis of the qualified property)
3 is taken on the taxpayer's federal income tax return
4 under subsection (k) of Section 168 of the Internal
5 Revenue Code and for each applicable taxable year
6 thereafter, an amount equal to "x", where:

7 (1) "y" equals the amount of the depreciation
8 deduction taken for the taxable year on the
9 taxpayer's federal income tax return on property
10 for which the bonus depreciation deduction (30% of
11 the adjusted basis of the qualified property) was
12 taken in any year under subsection (k) of Section
13 168 of the Internal Revenue Code, but not including
14 the bonus depreciation deduction; and

15 (2) "x" equals "y" multiplied by 30 and then
16 divided by 70 (or "y" multiplied by 0.429).

17 The aggregate amount deducted under this
18 subparagraph in all taxable years for any one piece of
19 property may not exceed the amount of the bonus
20 depreciation deduction (30% of the adjusted basis of
21 the qualified property) taken on that property on the
22 taxpayer's federal income tax return under subsection
23 (k) of Section 168 of the Internal Revenue Code;

24 (S) If the taxpayer reports a capital gain or loss
25 on the taxpayer's federal income tax return for the
26 taxable year based on a sale or transfer of property
27 for which the taxpayer was required in any taxable year
28 to make an addition modification under subparagraph
29 (G-10), then an amount equal to that addition
30 modification.

31 The taxpayer is allowed to take the deduction under
32 this subparagraph only once with respect to any one
33 piece of property;

34 (T) The amount of (i) any interest income (net of
35 the deductions allocable thereto) taken into account
36 for the taxable year with respect to a transaction with

1 a taxpayer that is required to make an addition
2 modification with respect to such transaction under
3 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
4 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
5 the amount of such addition modification and (ii) any
6 income from intangible property (net of the deductions
7 allocable thereto) taken into account for the taxable
8 year with respect to a transaction with a taxpayer that
9 is required to make an addition modification with
10 respect to such transaction under Section
11 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
12 203(d)(2)(D-8), but not to exceed the amount of such
13 addition modification;

14 (U) An amount equal to the interest income taken
15 into account for the taxable year (net of the
16 deductions allocable thereto) with respect to
17 transactions with a foreign person who would be a
18 member of the taxpayer's unitary business group but for
19 the fact the foreign person's business activity
20 outside the United States is 80% or more of that
21 person's total business activity, but not to exceed the
22 addition modification required to be made for the same
23 taxable year under Section 203(c)(2)(G-12) for
24 interest paid, accrued, or incurred, directly or
25 indirectly, to the same foreign person; and

26 (V) An amount equal to the income from intangible
27 property taken into account for the taxable year (net
28 of the deductions allocable thereto) with respect to
29 transactions with a foreign person who would be a
30 member of the taxpayer's unitary business group but for
31 the fact that the foreign person's business activity
32 outside the United States is 80% or more of that
33 person's total business activity, but not to exceed the
34 addition modification required to be made for the same
35 taxable year under Section 203(c)(2)(G-13) for
36 intangible expenses and costs paid, accrued, or

1 incurred, directly or indirectly, to the same foreign
2 person.

3 (3) Limitation. The amount of any modification
4 otherwise required under this subsection shall, under
5 regulations prescribed by the Department, be adjusted by
6 any amounts included therein which were properly paid,
7 credited, or required to be distributed, or permanently set
8 aside for charitable purposes pursuant to Internal Revenue
9 Code Section 642(c) during the taxable year.

10 (d) Partnerships.

11 (1) In general. In the case of a partnership, base
12 income means an amount equal to the taxpayer's taxable
13 income for the taxable year as modified by paragraph (2).

14 (2) Modifications. The taxable income referred to in
15 paragraph (1) shall be modified by adding thereto the sum
16 of the following amounts:

17 (A) An amount equal to all amounts paid or accrued
18 to the taxpayer as interest or dividends during the
19 taxable year to the extent excluded from gross income
20 in the computation of taxable income;

21 (B) An amount equal to the amount of tax imposed by
22 this Act to the extent deducted from gross income for
23 the taxable year;

24 (C) The amount of deductions allowed to the
25 partnership pursuant to Section 707 (c) of the Internal
26 Revenue Code in calculating its taxable income;

27 (D) An amount equal to the amount of the capital
28 gain deduction allowable under the Internal Revenue
29 Code, to the extent deducted from gross income in the
30 computation of taxable income;

31 (D-5) For taxable years 2001 and thereafter, an
32 amount equal to the bonus depreciation deduction (30%
33 of the adjusted basis of the qualified property) taken
34 on the taxpayer's federal income tax return for the
35 taxable year under subsection (k) of Section 168 of the

1 Internal Revenue Code;

2 (D-6) If the taxpayer reports a capital gain or
3 loss on the taxpayer's federal income tax return for
4 the taxable year based on a sale or transfer of
5 property for which the taxpayer was required in any
6 taxable year to make an addition modification under
7 subparagraph (D-5), then an amount equal to the
8 aggregate amount of the deductions taken in all taxable
9 years under subparagraph (O) with respect to that
10 property.

11 The taxpayer is required to make the addition
12 modification under this subparagraph only once with
13 respect to any one piece of property;

14 (D-7) For taxable years ending on or after December
15 31, 2004, an amount equal to the amount otherwise
16 allowed as a deduction in computing base income for
17 interest paid, accrued, or incurred, directly or
18 indirectly, to a foreign person who would be a member
19 of the same unitary business group but for the fact the
20 foreign person's business activity outside the United
21 States is 80% or more of the foreign person's total
22 business activity. The addition modification required
23 by this subparagraph shall be reduced to the extent
24 that dividends were included in base income of the
25 unitary group for the same taxable year and received by
26 the taxpayer or by a member of the taxpayer's unitary
27 business group (including amounts included in gross
28 income pursuant to Sections 951 through 964 of the
29 Internal Revenue Code and amounts included in gross
30 income under Section 78 of the Internal Revenue Code)
31 with respect to the stock of the same person to whom
32 the interest was paid, accrued, or incurred.

33 This paragraph shall not apply to the following:

34 (i) an item of interest paid, accrued, or
35 incurred, directly or indirectly, to a foreign
36 person who is subject in a foreign country or

1 state, other than a state which requires mandatory
2 unitary reporting, to a tax on or measured by net
3 income with respect to such interest; or

4 (ii) an item of interest paid, accrued, or
5 incurred, directly or indirectly, to a foreign
6 person if the taxpayer can establish, based on a
7 preponderance of the evidence, both of the
8 following:

9 (a) the foreign person, during the same
10 taxable year, paid, accrued, or incurred, the
11 interest to a person that is not a related
12 member, and

13 (b) the transaction giving rise to the
14 interest expense between the taxpayer and the
15 foreign person did not have as a principal
16 purpose the avoidance of Illinois income tax,
17 and is paid pursuant to a contract or agreement
18 that reflects an arm's-length interest rate
19 and terms; or

20 (iii) the taxpayer can establish, based on
21 clear and convincing evidence, that the interest
22 paid, accrued, or incurred relates to a contract or
23 agreement entered into at arm's-length rates and
24 terms and the principal purpose for the payment is
25 not federal or Illinois tax avoidance; or

26 (iv) an item of interest paid, accrued, or
27 incurred, directly or indirectly, to a foreign
28 person if the taxpayer establishes by clear and
29 convincing evidence that the adjustments are
30 unreasonable; or if the taxpayer and the Director
31 agree in writing to the application or use of an
32 alternative method of apportionment under Section
33 304(f).

34 Nothing in this subsection shall preclude the
35 Director from making any other adjustment
36 otherwise allowed under Section 404 of this Act for

1 any tax year beginning after the effective date of
2 this amendment provided such adjustment is made
3 pursuant to regulation adopted by the Department
4 and such regulations provide methods and standards
5 by which the Department will utilize its authority
6 under Section 404 of this Act; and

7 (D-8) For taxable years ending on or after December
8 31, 2004, an amount equal to the amount of intangible
9 expenses and costs otherwise allowed as a deduction in
10 computing base income, and that were paid, accrued, or
11 incurred, directly or indirectly, to a foreign person
12 who would be a member of the same unitary business
13 group but for the fact that the foreign person's
14 business activity outside the United States is 80% or
15 more of that person's total business activity. The
16 addition modification required by this subparagraph
17 shall be reduced to the extent that dividends were
18 included in base income of the unitary group for the
19 same taxable year and received by the taxpayer or by a
20 member of the taxpayer's unitary business group
21 (including amounts included in gross income pursuant
22 to Sections 951 through 964 of the Internal Revenue
23 Code and amounts included in gross income under Section
24 78 of the Internal Revenue Code) with respect to the
25 stock of the same person to whom the intangible
26 expenses and costs were directly or indirectly paid,
27 incurred or accrued. The preceding sentence shall not
28 apply to the extent that the same dividends caused a
29 reduction to the addition modification required under
30 Section 203(d)(2)(D-7) of this Act. As used in this
31 subparagraph, the term "intangible expenses and costs"
32 includes (1) expenses, losses, and costs for, or
33 related to, the direct or indirect acquisition, use,
34 maintenance or management, ownership, sale, exchange,
35 or any other disposition of intangible property; (2)
36 losses incurred, directly or indirectly, from

1 factoring transactions or discounting transactions;
2 (3) royalty, patent, technical, and copyright fees;
3 (4) licensing fees; and (5) other similar expenses and
4 costs. For purposes of this subparagraph, "intangible
5 property" includes patents, patent applications, trade
6 names, trademarks, service marks, copyrights, mask
7 works, trade secrets, and similar types of intangible
8 assets;

9 This paragraph shall not apply to the following:

10 (i) any item of intangible expenses or costs
11 paid, accrued, or incurred, directly or
12 indirectly, from a transaction with a foreign
13 person who is subject in a foreign country or
14 state, other than a state which requires mandatory
15 unitary reporting, to a tax on or measured by net
16 income with respect to such item; or

17 (ii) any item of intangible expense or cost
18 paid, accrued, or incurred, directly or
19 indirectly, if the taxpayer can establish, based
20 on a preponderance of the evidence, both of the
21 following:

22 (a) the foreign person during the same
23 taxable year paid, accrued, or incurred, the
24 intangible expense or cost to a person that is
25 not a related member, and

26 (b) the transaction giving rise to the
27 intangible expense or cost between the
28 taxpayer and the foreign person did not have as
29 a principal purpose the avoidance of Illinois
30 income tax, and is paid pursuant to a contract
31 or agreement that reflects arm's-length terms;
32 or

33 (iii) any item of intangible expense or cost
34 paid, accrued, or incurred, directly or
35 indirectly, from a transaction with a foreign
36 person if the taxpayer establishes by clear and

1 convincing evidence, that the adjustments are
2 unreasonable; or if the taxpayer and the Director
3 agree in writing to the application or use of an
4 alternative method of apportionment under Section
5 304(f);

6 Nothing in this subsection shall preclude the
7 Director from making any other adjustment
8 otherwise allowed under Section 404 of this Act for
9 any tax year beginning after the effective date of
10 this amendment provided such adjustment is made
11 pursuant to regulation adopted by the Department
12 and such regulations provide methods and standards
13 by which the Department will utilize its authority
14 under Section 404 of this Act;

15 and by deducting from the total so obtained the following
16 amounts:

17 (E) The valuation limitation amount;

18 (F) An amount equal to the amount of any tax
19 imposed by this Act which was refunded to the taxpayer
20 and included in such total for the taxable year;

21 (G) An amount equal to all amounts included in
22 taxable income as modified by subparagraphs (A), (B),
23 (C) and (D) which are exempt from taxation by this
24 State either by reason of its statutes or Constitution
25 or by reason of the Constitution, treaties or statutes
26 of the United States; provided that, in the case of any
27 statute of this State that exempts income derived from
28 bonds or other obligations from the tax imposed under
29 this Act, the amount exempted shall be the interest net
30 of bond premium amortization;

31 (H) Any income of the partnership which
32 constitutes personal service income as defined in
33 Section 1348 (b) (1) of the Internal Revenue Code (as
34 in effect December 31, 1981) or a reasonable allowance
35 for compensation paid or accrued for services rendered
36 by partners to the partnership, whichever is greater;

1 (I) An amount equal to all amounts of income
2 distributable to an entity subject to the Personal
3 Property Tax Replacement Income Tax imposed by
4 subsections (c) and (d) of Section 201 of this Act
5 including amounts distributable to organizations
6 exempt from federal income tax by reason of Section
7 501(a) of the Internal Revenue Code;

8 (J) With the exception of any amounts subtracted
9 under subparagraph (G), an amount equal to the sum of
10 all amounts disallowed as deductions by (i) Sections
11 171(a) (2), and 265(2) of the Internal Revenue Code of
12 1954, as now or hereafter amended, and all amounts of
13 expenses allocable to interest and disallowed as
14 deductions by Section 265(1) of the Internal Revenue
15 Code, as now or hereafter amended; and (ii) for taxable
16 years ending on or after August 13, 1999, Sections
17 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of the
18 Internal Revenue Code; the provisions of this
19 subparagraph are exempt from the provisions of Section
20 250;

21 (K) An amount equal to those dividends included in
22 such total which were paid by a corporation which
23 conducts business operations in an Enterprise Zone or
24 zones created under the Illinois Enterprise Zone Act,
25 enacted by the 82nd General Assembly, and conducts
26 substantially all of its operations in an Enterprise
27 Zone or Zones;

28 (L) An amount equal to any contribution made to a
29 job training project established pursuant to the Real
30 Property Tax Increment Allocation Redevelopment Act;

31 (M) An amount equal to those dividends included in
32 such total that were paid by a corporation that
33 conducts business operations in a federally designated
34 Foreign Trade Zone or Sub-Zone and that is designated a
35 High Impact Business located in Illinois; provided
36 that dividends eligible for the deduction provided in

1 subparagraph (K) of paragraph (2) of this subsection
2 shall not be eligible for the deduction provided under
3 this subparagraph (M);

4 (N) An amount equal to the amount of the deduction
5 used to compute the federal income tax credit for
6 restoration of substantial amounts held under claim of
7 right for the taxable year pursuant to Section 1341 of
8 the Internal Revenue Code of 1986;

9 (O) For taxable years 2001 and thereafter, for the
10 taxable year in which the bonus depreciation deduction
11 (30% of the adjusted basis of the qualified property)
12 is taken on the taxpayer's federal income tax return
13 under subsection (k) of Section 168 of the Internal
14 Revenue Code and for each applicable taxable year
15 thereafter, an amount equal to "x", where:

16 (1) "y" equals the amount of the depreciation
17 deduction taken for the taxable year on the
18 taxpayer's federal income tax return on property
19 for which the bonus depreciation deduction (30% of
20 the adjusted basis of the qualified property) was
21 taken in any year under subsection (k) of Section
22 168 of the Internal Revenue Code, but not including
23 the bonus depreciation deduction; and

24 (2) "x" equals "y" multiplied by 30 and then
25 divided by 70 (or "y" multiplied by 0.429).

26 The aggregate amount deducted under this
27 subparagraph in all taxable years for any one piece of
28 property may not exceed the amount of the bonus
29 depreciation deduction (30% of the adjusted basis of
30 the qualified property) taken on that property on the
31 taxpayer's federal income tax return under subsection
32 (k) of Section 168 of the Internal Revenue Code;

33 (P) If the taxpayer reports a capital gain or loss
34 on the taxpayer's federal income tax return for the
35 taxable year based on a sale or transfer of property
36 for which the taxpayer was required in any taxable year

1 to make an addition modification under subparagraph
2 (D-5), then an amount equal to that addition
3 modification.

4 The taxpayer is allowed to take the deduction under
5 this subparagraph only once with respect to any one
6 piece of property;

7 (Q) The amount of (i) any interest income (net of
8 the deductions allocable thereto) taken into account
9 for the taxable year with respect to a transaction with
10 a taxpayer that is required to make an addition
11 modification with respect to such transaction under
12 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
13 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
14 the amount of such addition modification and (ii) any
15 income from intangible property (net of the deductions
16 allocable thereto) taken into account for the taxable
17 year with respect to a transaction with a taxpayer that
18 is required to make an addition modification with
19 respect to such transaction under Section
20 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
21 203(d)(2)(D-8), but not to exceed the amount of such
22 addition modification;

23 (R) An amount equal to the interest income taken
24 into account for the taxable year (net of the
25 deductions allocable thereto) with respect to
26 transactions with a foreign person who would be a
27 member of the taxpayer's unitary business group but for
28 the fact that the foreign person's business activity
29 outside the United States is 80% or more of that
30 person's total business activity, but not to exceed the
31 addition modification required to be made for the same
32 taxable year under Section 203(d)(2)(D-7) for interest
33 paid, accrued, or incurred, directly or indirectly, to
34 the same foreign person; and

35 (S) An amount equal to the income from intangible
36 property taken into account for the taxable year (net

1 of the deductions allocable thereto) with respect to
2 transactions with a foreign person who would be a
3 member of the taxpayer's unitary business group but for
4 the fact that the foreign person's business activity
5 outside the United States is 80% or more of that
6 person's total business activity, but not to exceed the
7 addition modification required to be made for the same
8 taxable year under Section 203(d)(2)(D-8) for
9 intangible expenses and costs paid, accrued, or
10 incurred, directly or indirectly, to the same foreign
11 person.

12 (e) Gross income; adjusted gross income; taxable income.

13 (1) In general. Subject to the provisions of paragraph
14 (2) and subsection (b) (3), for purposes of this Section
15 and Section 803(e), a taxpayer's gross income, adjusted
16 gross income, or taxable income for the taxable year shall
17 mean the amount of gross income, adjusted gross income or
18 taxable income properly reportable for federal income tax
19 purposes for the taxable year under the provisions of the
20 Internal Revenue Code. Taxable income may be less than
21 zero. However, for taxable years ending on or after
22 December 31, 1986, net operating loss carryforwards from
23 taxable years ending prior to December 31, 1986, may not
24 exceed the sum of federal taxable income for the taxable
25 year before net operating loss deduction, plus the excess
26 of addition modifications over subtraction modifications
27 for the taxable year. For taxable years ending prior to
28 December 31, 1986, taxable income may never be an amount in
29 excess of the net operating loss for the taxable year as
30 defined in subsections (c) and (d) of Section 172 of the
31 Internal Revenue Code, provided that when taxable income of
32 a corporation (other than a Subchapter S corporation),
33 trust, or estate is less than zero and addition
34 modifications, other than those provided by subparagraph
35 (E) of paragraph (2) of subsection (b) for corporations or

1 subparagraph (E) of paragraph (2) of subsection (c) for
2 trusts and estates, exceed subtraction modifications, an
3 addition modification must be made under those
4 subparagraphs for any other taxable year to which the
5 taxable income less than zero (net operating loss) is
6 applied under Section 172 of the Internal Revenue Code or
7 under subparagraph (E) of paragraph (2) of this subsection
8 (e) applied in conjunction with Section 172 of the Internal
9 Revenue Code.

10 (2) Special rule. For purposes of paragraph (1) of this
11 subsection, the taxable income properly reportable for
12 federal income tax purposes shall mean:

13 (A) Certain life insurance companies. In the case
14 of a life insurance company subject to the tax imposed
15 by Section 801 of the Internal Revenue Code, life
16 insurance company taxable income, plus the amount of
17 distribution from pre-1984 policyholder surplus
18 accounts as calculated under Section 815a of the
19 Internal Revenue Code;

20 (B) Certain other insurance companies. In the case
21 of mutual insurance companies subject to the tax
22 imposed by Section 831 of the Internal Revenue Code,
23 insurance company taxable income;

24 (C) Regulated investment companies. In the case of
25 a regulated investment company subject to the tax
26 imposed by Section 852 of the Internal Revenue Code,
27 investment company taxable income;

28 (D) Real estate investment trusts. In the case of a
29 real estate investment trust subject to the tax imposed
30 by Section 857 of the Internal Revenue Code, real
31 estate investment trust taxable income;

32 (E) Consolidated corporations. In the case of a
33 corporation which is a member of an affiliated group of
34 corporations filing a consolidated income tax return
35 for the taxable year for federal income tax purposes,
36 taxable income determined as if such corporation had

1 filed a separate return for federal income tax purposes
2 for the taxable year and each preceding taxable year
3 for which it was a member of an affiliated group. For
4 purposes of this subparagraph, the taxpayer's separate
5 taxable income shall be determined as if the election
6 provided by Section 243(b) (2) of the Internal Revenue
7 Code had been in effect for all such years;

8 (F) Cooperatives. In the case of a cooperative
9 corporation or association, the taxable income of such
10 organization determined in accordance with the
11 provisions of Section 1381 through 1388 of the Internal
12 Revenue Code;

13 (G) Subchapter S corporations. In the case of: (i)
14 a Subchapter S corporation for which there is in effect
15 an election for the taxable year under Section 1362 of
16 the Internal Revenue Code, the taxable income of such
17 corporation determined in accordance with Section
18 1363(b) of the Internal Revenue Code, except that
19 taxable income shall take into account those items
20 which are required by Section 1363(b)(1) of the
21 Internal Revenue Code to be separately stated; and (ii)
22 a Subchapter S corporation for which there is in effect
23 a federal election to opt out of the provisions of the
24 Subchapter S Revision Act of 1982 and have applied
25 instead the prior federal Subchapter S rules as in
26 effect on July 1, 1982, the taxable income of such
27 corporation determined in accordance with the federal
28 Subchapter S rules as in effect on July 1, 1982; and

29 (H) Partnerships. In the case of a partnership,
30 taxable income determined in accordance with Section
31 703 of the Internal Revenue Code, except that taxable
32 income shall take into account those items which are
33 required by Section 703(a)(1) to be separately stated
34 but which would be taken into account by an individual
35 in calculating his taxable income.

36 (3) Recapture of business expenses on disposition of

1 asset or business. Notwithstanding any other law to the
2 contrary, if in prior years income from an asset or
3 business has been classified as business income and in a
4 later year is demonstrated to be non-business income, then
5 all expenses, without limitation, deducted in such later
6 year and in the 2 immediately preceding taxable years
7 related to that asset or business that generated the
8 non-business income shall be added back and recaptured as
9 business income in the year of the disposition of the asset
10 or business. Such amount shall be apportioned to Illinois
11 using the greater of the apportionment fraction computed
12 for the business under Section 304 of this Act for the
13 taxable year or the average of the apportionment fractions
14 computed for the business under Section 304 of this Act for
15 the taxable year and for the 2 immediately preceding
16 taxable years.

17 (f) Valuation limitation amount.

18 (1) In general. The valuation limitation amount
19 referred to in subsections (a) (2) (G), (c) (2) (I) and
20 (d) (2) (E) is an amount equal to:

21 (A) The sum of the pre-August 1, 1969 appreciation
22 amounts (to the extent consisting of gain reportable
23 under the provisions of Section 1245 or 1250 of the
24 Internal Revenue Code) for all property in respect of
25 which such gain was reported for the taxable year; plus

26 (B) The lesser of (i) the sum of the pre-August 1,
27 1969 appreciation amounts (to the extent consisting of
28 capital gain) for all property in respect of which such
29 gain was reported for federal income tax purposes for
30 the taxable year, or (ii) the net capital gain for the
31 taxable year, reduced in either case by any amount of
32 such gain included in the amount determined under
33 subsection (a) (2) (F) or (c) (2) (H).

34 (2) Pre-August 1, 1969 appreciation amount.

35 (A) If the fair market value of property referred
36 to in paragraph (1) was readily ascertainable on August

1 1, 1969, the pre-August 1, 1969 appreciation amount for
2 such property is the lesser of (i) the excess of such
3 fair market value over the taxpayer's basis (for
4 determining gain) for such property on that date
5 (determined under the Internal Revenue Code as in
6 effect on that date), or (ii) the total gain realized
7 and reportable for federal income tax purposes in
8 respect of the sale, exchange or other disposition of
9 such property.

10 (B) If the fair market value of property referred
11 to in paragraph (1) was not readily ascertainable on
12 August 1, 1969, the pre-August 1, 1969 appreciation
13 amount for such property is that amount which bears the
14 same ratio to the total gain reported in respect of the
15 property for federal income tax purposes for the
16 taxable year, as the number of full calendar months in
17 that part of the taxpayer's holding period for the
18 property ending July 31, 1969 bears to the number of
19 full calendar months in the taxpayer's entire holding
20 period for the property.

21 (C) The Department shall prescribe such
22 regulations as may be necessary to carry out the
23 purposes of this paragraph.

24 (g) Double deductions. Unless specifically provided
25 otherwise, nothing in this Section shall permit the same item
26 to be deducted more than once.

27 (h) Legislative intention. Except as expressly provided by
28 this Section there shall be no modifications or limitations on
29 the amounts of income, gain, loss or deduction taken into
30 account in determining gross income, adjusted gross income or
31 taxable income for federal income tax purposes for the taxable
32 year, or in the amount of such items entering into the
33 computation of base income and net income under this Act for
34 such taxable year, whether in respect of property values as of

1 August 1, 1969 or otherwise.

2 (Source: P.A. 92-16, eff. 6-28-01; 92-244, eff. 8-3-01; 92-439,
3 eff. 8-17-01; 92-603, eff. 6-28-02; 92-626, eff. 7-11-02;
4 92-651, eff. 7-11-02; 92-846, eff. 8-23-02; 93-812, eff.
5 7-26-04; 93-840, eff. 7-30-04; revised 10-12-04.)

6 (35 ILCS 5/502) (from Ch. 120, par. 5-502)

7 Sec. 502. Returns and notices.

8 (a) In general. A return with respect to the taxes imposed
9 by this Act shall be made by every person for any taxable year:

10 (1) for which such person is liable for a tax imposed
11 by this Act, or

12 (2) in the case of a resident or in the case of a
13 corporation which is qualified to do business in this
14 State, for which such person is required to make a federal
15 income tax return, regardless of whether such person is
16 liable for a tax imposed by this Act. However, this
17 paragraph shall not require a resident to make a return if
18 such person has an Illinois base income of the basic amount
19 in Section 204(b) or less and is either claimed as a
20 dependent on another person's tax return under the Internal
21 Revenue Code of 1986, or is claimed as a dependent on
22 another person's tax return under this Act.

23 (b) Fiduciaries and receivers.

24 (1) Decedents. If an individual is deceased, any return
25 or notice required of such individual under this Act shall
26 be made by his executor, administrator, or other person
27 charged with the property of such decedent.

28 (2) Individuals under a disability. If an individual is
29 unable to make a return or notice required under this Act,
30 the return or notice required of such individual shall be
31 made by his duly authorized agent, guardian, fiduciary or
32 other person charged with the care of the person or
33 property of such individual.

34 (3) Estates and trusts. Returns or notices required of
35 an estate or a trust shall be made by the fiduciary

1 thereof.

2 (4) Receivers, trustees and assignees for
3 corporations. In a case where a receiver, trustee in
4 bankruptcy, or assignee, by order of a court of competent
5 jurisdiction, by operation of law, or otherwise, has
6 possession of or holds title to all or substantially all
7 the property or business of a corporation, whether or not
8 such property or business is being operated, such receiver,
9 trustee, or assignee shall make the returns and notices
10 required of such corporation in the same manner and form as
11 corporations are required to make such returns and notices.

12 (c) Joint returns by husband and wife.

13 (1) Except as provided in paragraph (3), if a husband
14 and wife file a joint federal income tax return for a
15 taxable year they shall file a joint return under this Act
16 for such taxable year and their liabilities shall be joint
17 and several, but if the federal income tax liability of
18 either spouse is determined on a separate federal income
19 tax return, they shall file separate returns under this
20 Act.

21 (2) If neither spouse is required to file a federal
22 income tax return and either or both are required to file a
23 return under this Act, they may elect to file separate or
24 joint returns and pursuant to such election their
25 liabilities shall be separate or joint and several.

26 (3) If either husband or wife is a resident and the
27 other is a nonresident, they shall file separate returns in
28 this State on such forms as may be required by the
29 Department in which event their tax liabilities shall be
30 separate; but they may elect to determine their joint net
31 income and file a joint return as if both were residents
32 and in such case, their liabilities shall be joint and
33 several.

34 (4) Innocent spouses.

35 (A) However, for tax liabilities arising and paid
36 prior to August 13, 1999, an innocent spouse shall be

1 relieved of liability for tax (including interest and
2 penalties) for any taxable year for which a joint
3 return has been made, upon submission of proof that the
4 Internal Revenue Service has made a determination
5 under Section 6013(e) of the Internal Revenue Code, for
6 the same taxable year, which determination relieved
7 the spouse from liability for federal income taxes. If
8 there is no federal income tax liability at issue for
9 the same taxable year, the Department shall rely on the
10 provisions of Section 6013(e) to determine whether the
11 person requesting innocent spouse abatement of tax,
12 penalty, and interest is entitled to that relief.

13 (B) For tax liabilities arising on and after August
14 13, 1999 or which arose prior to that date, but remain
15 unpaid as of that date, if an individual who filed a
16 joint return for any taxable year has made an election
17 under this paragraph, the individual's liability for
18 any tax shown on the joint return shall not exceed the
19 individual's separate return amount and the
20 individual's liability for any deficiency assessed for
21 that taxable year shall not exceed the portion of the
22 deficiency properly allocable to the individual. For
23 purposes of this paragraph:

24 (i) An election properly made pursuant to
25 Section 6015 of the Internal Revenue Code shall
26 constitute an election under this paragraph,
27 provided that the election shall not be effective
28 until the individual has notified the Department
29 of the election in the form and manner prescribed
30 by the Department.

31 (ii) If no election has been made under Section
32 6015, the individual may make an election under
33 this paragraph in the form and manner prescribed by
34 the Department, provided that no election may be
35 made if the Department finds that assets were
36 transferred between individuals filing a joint

1 return as part of a scheme by such individuals to
2 avoid payment of Illinois income tax and the
3 election shall not eliminate the individual's
4 liability for any portion of a deficiency
5 attributable to an error on the return of which the
6 individual had actual knowledge as of the date of
7 filing.

8 (iii) In determining the separate return
9 amount or portion of any deficiency attributable
10 to an individual, the Department shall follow the
11 provisions in subsections (c) and (d) of Section
12 6015 of the Internal Revenue Code.

13 (iv) In determining the validity of an
14 individual's election under subparagraph (ii) and
15 in determining an electing individual's separate
16 return amount or portion of any deficiency under
17 subparagraph (iii), any determination made by the
18 Secretary of the Treasury, by the United States Tax
19 Court on petition for review of a determination by
20 the Secretary of the Treasury, or on appeal from
21 the United States Tax Court under Section 6015 of
22 the Internal Revenue Code regarding criteria for
23 eligibility or under subsection (d) of Section
24 6015 of the Internal Revenue Code regarding the
25 allocation of any item of income, deduction,
26 payment, or credit between an individual making
27 the federal election and that individual's spouse
28 shall be conclusively presumed to be correct. With
29 respect to any item that is not the subject of a
30 determination by the Secretary of the Treasury or
31 the federal courts, in any proceeding involving
32 this subsection, the individual making the
33 election shall have the burden of proof with
34 respect to any item except that the Department
35 shall have the burden of proof with respect to
36 items in subdivision (ii).

1 (v) Any election made by an individual under
2 this subsection shall apply to all years for which
3 that individual and the spouse named in the
4 election have filed a joint return.

5 (vi) After receiving a notice that the federal
6 election has been made or after receiving an
7 election under subdivision (ii), the Department
8 shall take no collection action against the
9 electing individual for any liability arising from
10 a joint return covered by the election until the
11 Department has notified the electing individual in
12 writing that the election is invalid or of the
13 portion of the liability the Department has
14 allocated to the electing individual. Within 60
15 days (150 days if the individual is outside the
16 United States) after the issuance of such
17 notification, the individual may file a written
18 protest of the denial of the election or of the
19 Department's determination of the liability
20 allocated to him or her and shall be granted a
21 hearing within the Department under the provisions
22 of Section 908. If a protest is filed, the
23 Department shall take no collection action against
24 the electing individual until the decision
25 regarding the protest has become final under
26 subsection (d) of Section 908 or, if
27 administrative review of the Department's decision
28 is requested under Section 1201, until the
29 decision of the court becomes final.

30 (d) Partnerships. Every partnership having any base income
31 allocable to this State in accordance with section 305(c) shall
32 retain information concerning all items of income, gain, loss
33 and deduction; the names and addresses of all of the partners,
34 or names and addresses of members of a limited liability
35 company, or other persons who would be entitled to share in the
36 base income of the partnership if distributed; the amount of

1 the distributive share of each; and such other pertinent
2 information as the Department may by forms or regulations
3 prescribe. The partnership shall make that information
4 available to the Department when requested by the Department.

5 (e) For taxable years ending on or after December 31, 1985,
6 and before December 31, 1993, taxpayers that are corporations
7 (other than Subchapter S corporations) having the same taxable
8 year and that are members of the same unitary business group
9 may elect to be treated as one taxpayer for purposes of any
10 original return, amended return which includes the same
11 taxpayers of the unitary group which joined in the election to
12 file the original return, extension, claim for refund,
13 assessment, collection and payment and determination of the
14 group's tax liability under this Act. This subsection (e) does
15 not permit the election to be made for some, but not all, of
16 the purposes enumerated above. For taxable years ending on or
17 after December 31, 1987, corporate members (other than
18 Subchapter S corporations) of the same unitary business group
19 making this subsection (e) election are not required to have
20 the same taxable year.

21 For taxable years ending on or after December 31, 1993,
22 taxpayers that are corporations (other than Subchapter S
23 corporations) and that are members of the same unitary business
24 group shall be treated as one taxpayer for purposes of any
25 original return, amended return which includes the same
26 taxpayers of the unitary group which joined in filing the
27 original return, extension, claim for refund, assessment,
28 collection and payment and determination of the group's tax
29 liability under this Act.

30 (f) The Department may promulgate regulations to permit
31 nonresident individual partners of the same partnership,
32 nonresident Subchapter S corporation shareholders of the same
33 Subchapter S corporation, and nonresident individuals
34 transacting an insurance business in Illinois under a Lloyds
35 plan of operation, and nonresident individual members of the
36 same limited liability company that is treated as a partnership

1 under Section 1501 (a)(16) of this Act, to file composite
2 individual income tax returns reflecting the composite income
3 of such individuals allocable to Illinois and to make composite
4 individual income tax payments. The Department may by
5 regulation also permit such composite returns to include the
6 income tax owed by Illinois residents attributable to their
7 income from partnerships, Subchapter S corporations, insurance
8 businesses organized under a Lloyds plan of operation, or
9 limited liability companies that are treated as partnership
10 under Section 1501(a)(16) of this Act, in which case such
11 Illinois residents will be permitted to claim credits on their
12 individual returns for their shares of the composite tax
13 payments. This paragraph of subsection (f) applies to taxable
14 years ending on or after December 31, 1987.

15 For taxable years ending on or after December 31, 1999, the
16 Department may, by regulation, also permit any persons
17 transacting an insurance business organized under a Lloyds plan
18 of operation to file composite returns reflecting the income of
19 such persons allocable to Illinois and the tax rates applicable
20 to such persons under Section 201 and to make composite tax
21 payments and shall, by regulation, also provide that the income
22 and apportionment factors attributable to the transaction of an
23 insurance business organized under a Lloyds plan of operation
24 by any person joining in the filing of a composite return
25 shall, for purposes of allocating and apportioning income under
26 Article 3 of this Act and computing net income under Section
27 202 of this Act, be excluded from any other income and
28 apportionment factors of that person or of any unitary business
29 group, as defined in subdivision (a)(27) of Section 1501, to
30 which that person may belong.

31 (g) The Department may adopt rules to authorize the
32 electronic filing of any return required to be filed under this
33 Section.

34 (Source: P.A. 91-541, eff. 8-13-99; 91-913, eff. 1-1-01;
35 92-846, eff. 8-23-02.)

1 (35 ILCS 5/506.5)

2 Sec. 506.5. Returns based on substitute W-2 forms. For a
3 taxpayer who has received wages from an employer in Illinois,
4 loses or was not provided a W-2 form, is unable to obtain a
5 duplicate W-2 form from the employer, and subsequently obtains
6 a substitute W-2 form from the Internal Revenue Service, it
7 shall be presumed that tax was withheld under Article 7 of this
8 Act in an appropriate amount based on the number of withholding
9 exemptions used to determine the federal income tax withholding
10 for the taxpayer if (i) the substitute W-2 form indicates the
11 appropriate amount of federal taxes withheld, (ii) the taxpayer
12 files a copy of the substitute W-2 form with his or her
13 Illinois income tax return, and (iii) the taxpayer provides a
14 mailing address to which any correspondence or refund, if any,
15 may be sent.

16 (Source: P.A. 88-669, eff. 11-29-94.)

17 (35 ILCS 5/917) (from Ch. 120, par. 9-917)

18 Sec. 917. Confidentiality and information sharing.

19 (a) Confidentiality. Except as provided in this Section,
20 all information received by the Department from returns filed
21 under this Act, or from any investigation conducted under the
22 provisions of this Act, shall be confidential, except for
23 official purposes within the Department or pursuant to official
24 procedures for collection of any State tax or pursuant to an
25 investigation or audit by the Illinois State Scholarship
26 Commission of a delinquent student loan or monetary award or
27 enforcement of any civil or criminal penalty or sanction
28 imposed by this Act or by another statute imposing a State tax,
29 and any person who divulges any such information in any manner,
30 except for such purposes and pursuant to order of the Director
31 or in accordance with a proper judicial order, shall be guilty
32 of a Class A misdemeanor. However, the provisions of this
33 paragraph are not applicable to information furnished to (i)
34 the Department of Healthcare and Family Services (formerly
35 Department of Public Aid), State's Attorneys, and the Attorney

1 General for child support enforcement purposes and (ii) a
2 licensed attorney representing the taxpayer where an appeal or
3 a protest has been filed on behalf of the taxpayer. If it is
4 necessary to file information obtained pursuant to this Act in
5 a child support enforcement proceeding, the information shall
6 be filed under seal.

7 (b) Public information. Nothing contained in this Act shall
8 prevent the Director from publishing or making available to the
9 public the names and addresses of persons filing returns under
10 this Act, or from publishing or making available reasonable
11 statistics concerning the operation of the tax wherein the
12 contents of returns are grouped into aggregates in such a way
13 that the information contained in any individual return shall
14 not be disclosed.

15 (c) Governmental agencies. The Director may make available
16 to the Secretary of the Treasury of the United States or his
17 delegate, or the proper officer or his delegate of any other
18 state imposing a tax upon or measured by income, for
19 exclusively official purposes, information received by the
20 Department in the administration of this Act, but such
21 permission shall be granted only if the United States or such
22 other state, as the case may be, grants the Department
23 substantially similar privileges. The Director may exchange
24 information with the ~~Illinois~~ Department of Healthcare and
25 Family Services ~~Public Aid~~ and the Department of Human Services
26 (acting as successor to the Department of Public Aid under the
27 Department of Human Services Act) for the purpose of verifying
28 sources and amounts of income and for other purposes directly
29 connected with the administration of this Act and the Illinois
30 Public Aid Code. The Director may exchange information with the
31 Director of the Department of Employment Security for the
32 purpose of verifying sources and amounts of income and for
33 other purposes directly connected with the administration of
34 this Act and Acts administered by the Department of Employment
35 Security. The Director may make available to the Illinois
36 Workers' Compensation Commission information regarding

1 employers for the purpose of verifying the insurance coverage
2 required under the Workers' Compensation Act and Workers'
3 Occupational Diseases Act. The Director may exchange
4 information with the Illinois Department on Aging for the
5 purpose of verifying sources and amounts of income for purposes
6 directly related to confirming eligibility for participation
7 in the programs of benefits authorized by the Senior Citizens
8 and Disabled Persons Property Tax Relief and Pharmaceutical
9 Assistance Act.

10 The Director may make available to any State agency,
11 including the Illinois Supreme Court, which licenses persons to
12 engage in any occupation, information that a person licensed by
13 such agency has failed to file returns under this Act or pay
14 the tax, penalty and interest shown therein, or has failed to
15 pay any final assessment of tax, penalty or interest due under
16 this Act. The Director may make available to any State agency,
17 including the Illinois Supreme Court, information regarding
18 whether a bidder, contractor, or an affiliate of a bidder or
19 contractor has failed to file returns under this Act or pay the
20 tax, penalty, and interest shown therein, or has failed to pay
21 any final assessment of tax, penalty, or interest due under
22 this Act, for the limited purpose of enforcing bidder and
23 contractor certifications. For purposes of this Section, the
24 term "affiliate" means any entity that (1) directly,
25 indirectly, or constructively controls another entity, (2) is
26 directly, indirectly, or constructively controlled by another
27 entity, or (3) is subject to the control of a common entity.
28 For purposes of this subsection (a), an entity controls another
29 entity if it owns, directly or individually, more than 10% of
30 the voting securities of that entity. As used in this
31 subsection (a), the term "voting security" means a security
32 that (1) confers upon the holder the right to vote for the
33 election of members of the board of directors or similar
34 governing body of the business or (2) is convertible into, or
35 entitles the holder to receive upon its exercise, a security
36 that confers such a right to vote. A general partnership

1 interest is a voting security.

2 The Director may make available to any State agency,
3 including the Illinois Supreme Court, units of local
4 government, and school districts, information regarding
5 whether a bidder or contractor is an affiliate of a person who
6 is not collecting and remitting Illinois Use taxes, for the
7 limited purpose of enforcing bidder and contractor
8 certifications.

9 The Director may also make available to the Secretary of
10 State information that a corporation which has been issued a
11 certificate of incorporation by the Secretary of State has
12 failed to file returns under this Act or pay the tax, penalty
13 and interest shown therein, or has failed to pay any final
14 assessment of tax, penalty or interest due under this Act. An
15 assessment is final when all proceedings in court for review of
16 such assessment have terminated or the time for the taking
17 thereof has expired without such proceedings being instituted.
18 For taxable years ending on or after December 31, 1987, the
19 Director may make available to the Director or principal
20 officer of any Department of the State of Illinois, information
21 that a person employed by such Department has failed to file
22 returns under this Act or pay the tax, penalty and interest
23 shown therein. For purposes of this paragraph, the word
24 "Department" shall have the same meaning as provided in Section
25 3 of the State Employees Group Insurance Act of 1971.

26 (d) The Director shall make available for public inspection
27 in the Department's principal office and for publication, at
28 cost, administrative decisions issued on or after January 1,
29 1995. These decisions are to be made available in a manner so
30 that the following taxpayer information is not disclosed:

31 (1) The names, addresses, and identification numbers
32 of the taxpayer, related entities, and employees.

33 (2) At the sole discretion of the Director, trade
34 secrets or other confidential information identified as
35 such by the taxpayer, no later than 30 days after receipt
36 of an administrative decision, by such means as the

1 Department shall provide by rule.

2 The Director shall determine the appropriate extent of the
3 deletions allowed in paragraph (2). In the event the taxpayer
4 does not submit deletions, the Director shall make only the
5 deletions specified in paragraph (1).

6 The Director shall make available for public inspection and
7 publication an administrative decision within 180 days after
8 the issuance of the administrative decision. The term
9 "administrative decision" has the same meaning as defined in
10 Section 3-101 of Article III of the Code of Civil Procedure.
11 Costs collected under this Section shall be paid into the Tax
12 Compliance and Administration Fund.

13 (e) Nothing contained in this Act shall prevent the
14 Director from divulging information to any person pursuant to a
15 request or authorization made by the taxpayer, by an authorized
16 representative of the taxpayer, or, in the case of information
17 related to a joint return, by the spouse filing the joint
18 return with the taxpayer.

19 (Source: P.A. 93-25, eff. 6-20-03; 93-721, eff. 1-1-05; 93-835;
20 eff. 7-29-04; 93-841, eff. 7-30-04; revised 12-15-05.)

21 (35 ILCS 5/1301) (from Ch. 120, par. 13-1301)

22 Sec. 1301. Willful and Fraudulent Acts. Any person who is
23 subject to the provisions of this Act and who willfully fails
24 to file a return, or who files a fraudulent return, or who
25 willfully attempts in any other manner to evade or defeat any
26 tax imposed by this Act or the payment thereof, or any
27 accountant or other agent who knowingly enters false
28 information on the return of any taxpayer under this Act,
29 shall, in addition to other penalties, be guilty of a Class 4
30 felony for the first offense and a Class 3 felony for each
31 subsequent offense. Any person who is subject to this Act and
32 who willfully violates any rule or regulation of the Department
33 for the administration and enforcement of this Act or who fails
34 to keep books and records as required in this Act is, in
35 addition to other penalties, guilty of a Class A misdemeanor.

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

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

9 Section 10. The Use Tax Act is amended by re-enacting
10 Section 2 and re-enacting and changing Section 9 as follows:

11 (35 ILCS 105/2) (from Ch. 120, par. 439.2)

12 Sec. 2. "Use" means the exercise by any person of any right
13 or power over tangible personal property incident to the
14 ownership of that property, except that it does not include the
15 sale of such property in any form as tangible personal property
16 in the regular course of business to the extent that such
17 property is not first subjected to a use for which it was
18 purchased, and does not include the use of such property by its
19 owner for demonstration purposes: Provided that the property
20 purchased is deemed to be purchased for the purpose of resale,
21 despite first being used, to the extent to which it is resold
22 as an ingredient of an intentionally produced product or
23 by-product of manufacturing. "Use" does not mean the
24 demonstration use or interim use of tangible personal property
25 by a retailer before he sells that tangible personal property.
26 For watercraft or aircraft, if the period of demonstration use
27 or interim use by the retailer exceeds 18 months, the retailer
28 shall pay on the retailers' original cost price the tax imposed
29 by this Act, and no credit for that tax is permitted if the
30 watercraft or aircraft is subsequently sold by the retailer.
31 "Use" does not mean the physical incorporation of tangible
32 personal property, to the extent not first subjected to a use
33 for which it was purchased, as an ingredient or constituent,
34 into other tangible personal property (a) which is sold in the

1 regular course of business or (b) which the person
2 incorporating such ingredient or constituent therein has
3 undertaken at the time of such purchase to cause to be
4 transported in interstate commerce to destinations outside the
5 State of Illinois: Provided that the property purchased is
6 deemed to be purchased for the purpose of resale, despite first
7 being used, to the extent to which it is resold as an
8 ingredient of an intentionally produced product or by-product
9 of manufacturing.

10 "Watercraft" means a Class 2, Class 3, or Class 4
11 watercraft as defined in Section 3-2 of the Boat Registration
12 and Safety Act, a personal watercraft, or any boat equipped
13 with an inboard motor.

14 "Purchase at retail" means the acquisition of the ownership
15 of or title to tangible personal property through a sale at
16 retail.

17 "Purchaser" means anyone who, through a sale at retail,
18 acquires the ownership of tangible personal property for a
19 valuable consideration.

20 "Sale at retail" means any transfer of the ownership of or
21 title to tangible personal property to a purchaser, for the
22 purpose of use, and not for the purpose of resale in any form
23 as tangible personal property to the extent not first subjected
24 to a use for which it was purchased, for a valuable
25 consideration: Provided that the property purchased is deemed
26 to be purchased for the purpose of resale, despite first being
27 used, to the extent to which it is resold as an ingredient of
28 an intentionally produced product or by-product of
29 manufacturing. For this purpose, slag produced as an incident
30 to manufacturing pig iron or steel and sold is considered to be
31 an intentionally produced by-product of manufacturing. "Sale
32 at retail" includes any such transfer made for resale unless
33 made in compliance with Section 2c of the Retailers' Occupation
34 Tax Act, as incorporated by reference into Section 12 of this
35 Act. Transactions whereby the possession of the property is
36 transferred but the seller retains the title as security for

1 payment of the selling price are sales.

2 "Sale at retail" shall also be construed to include any
3 Illinois florist's sales transaction in which the purchase
4 order is received in Illinois by a florist and the sale is for
5 use or consumption, but the Illinois florist has a florist in
6 another state deliver the property to the purchaser or the
7 purchaser's donee in such other state.

8 Nonreusable tangible personal property that is used by
9 persons engaged in the business of operating a restaurant,
10 cafeteria, or drive-in is a sale for resale when it is
11 transferred to customers in the ordinary course of business as
12 part of the sale of food or beverages and is used to deliver,
13 package, or consume food or beverages, regardless of where
14 consumption of the food or beverages occurs. Examples of those
15 items include, but are not limited to nonreusable, paper and
16 plastic cups, plates, baskets, boxes, sleeves, buckets or other
17 containers, utensils, straws, placemats, napkins, doggie bags,
18 and wrapping or packaging materials that are transferred to
19 customers as part of the sale of food or beverages in the
20 ordinary course of business.

21 The purchase, employment and transfer of such tangible
22 personal property as newsprint and ink for the primary purpose
23 of conveying news (with or without other information) is not a
24 purchase, use or sale of tangible personal property.

25 "Selling price" means the consideration for a sale valued
26 in money whether received in money or otherwise, including
27 cash, credits, property other than as hereinafter provided, and
28 services, but not including the value of or credit given for
29 traded-in tangible personal property where the item that is
30 traded-in is of like kind and character as that which is being
31 sold, and shall be determined without any deduction on account
32 of the cost of the property sold, the cost of materials used,
33 labor or service cost or any other expense whatsoever, but does
34 not include interest or finance charges which appear as
35 separate items on the bill of sale or sales contract nor
36 charges that are added to prices by sellers on account of the

1 seller's tax liability under the "Retailers' Occupation Tax
2 Act", or on account of the seller's duty to collect, from the
3 purchaser, the tax that is imposed by this Act, or on account
4 of the seller's tax liability under Section 8-11-1 of the
5 Illinois Municipal Code, as heretofore and hereafter amended,
6 or on account of the seller's tax liability under the "County
7 Retailers' Occupation Tax Act". Effective December 1, 1985,
8 "selling price" shall include charges that are added to prices
9 by sellers on account of the seller's tax liability under the
10 Cigarette Tax Act, on account of the seller's duty to collect,
11 from the purchaser, the tax imposed under the Cigarette Use Tax
12 Act, and on account of the seller's duty to collect, from the
13 purchaser, any cigarette tax imposed by a home rule unit.

14 The phrase "like kind and character" shall be liberally
15 construed (including but not limited to any form of motor
16 vehicle for any form of motor vehicle, or any kind of farm or
17 agricultural implement for any other kind of farm or
18 agricultural implement), while not including a kind of item
19 which, if sold at retail by that retailer, would be exempt from
20 retailers' occupation tax and use tax as an isolated or
21 occasional sale.

22 "Department" means the Department of Revenue.

23 "Person" means any natural individual, firm, partnership,
24 association, joint stock company, joint adventure, public or
25 private corporation, limited liability company, or a receiver,
26 executor, trustee, guardian or other representative appointed
27 by order of any court.

28 "Retailer" means and includes every person engaged in the
29 business of making sales at retail as defined in this Section.

30 A person who holds himself or herself out as being engaged
31 (or who habitually engages) in selling tangible personal
32 property at retail is a retailer hereunder with respect to such
33 sales (and not primarily in a service occupation)
34 notwithstanding the fact that such person designs and produces
35 such tangible personal property on special order for the
36 purchaser and in such a way as to render the property of value

1 only to such purchaser, if such tangible personal property so
2 produced on special order serves substantially the same
3 function as stock or standard items of tangible personal
4 property that are sold at retail.

5 A person whose activities are organized and conducted
6 primarily as a not-for-profit service enterprise, and who
7 engages in selling tangible personal property at retail
8 (whether to the public or merely to members and their guests)
9 is a retailer with respect to such transactions, excepting only
10 a person organized and operated exclusively for charitable,
11 religious or educational purposes either (1), to the extent of
12 sales by such person to its members, students, patients or
13 inmates of tangible personal property to be used primarily for
14 the purposes of such person, or (2), to the extent of sales by
15 such person of tangible personal property which is not sold or
16 offered for sale by persons organized for profit. The selling
17 of school books and school supplies by schools at retail to
18 students is not "primarily for the purposes of" the school
19 which does such selling. This paragraph does not apply to nor
20 subject to taxation occasional dinners, social or similar
21 activities of a person organized and operated exclusively for
22 charitable, religious or educational purposes, whether or not
23 such activities are open to the public.

24 A person who is the recipient of a grant or contract under
25 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
26 serves meals to participants in the federal Nutrition Program
27 for the Elderly in return for contributions established in
28 amount by the individual participant pursuant to a schedule of
29 suggested fees as provided for in the federal Act is not a
30 retailer under this Act with respect to such transactions.

31 Persons who engage in the business of transferring tangible
32 personal property upon the redemption of trading stamps are
33 retailers hereunder when engaged in such business.

34 The isolated or occasional sale of tangible personal
35 property at retail by a person who does not hold himself out as
36 being engaged (or who does not habitually engage) in selling

1 such tangible personal property at retail or a sale through a
2 bulk vending machine does not make such person a retailer
3 hereunder. However, any person who is engaged in a business
4 which is not subject to the tax imposed by the "Retailers'
5 Occupation Tax Act" because of involving the sale of or a
6 contract to sell real estate or a construction contract to
7 improve real estate, but who, in the course of conducting such
8 business, transfers tangible personal property to users or
9 consumers in the finished form in which it was purchased, and
10 which does not become real estate, under any provision of a
11 construction contract or real estate sale or real estate sales
12 agreement entered into with some other person arising out of or
13 because of such nontaxable business, is a retailer to the
14 extent of the value of the tangible personal property so
15 transferred. If, in such transaction, a separate charge is made
16 for the tangible personal property so transferred, the value of
17 such property, for the purposes of this Act, is the amount so
18 separately charged, but not less than the cost of such property
19 to the transferor; if no separate charge is made, the value of
20 such property, for the purposes of this Act, is the cost to the
21 transferor of such tangible personal property.

22 "Retailer maintaining a place of business in this State",
23 or any like term, means and includes any of the following
24 retailers:

- 25 1. A retailer having or maintaining within this State,
26 directly or by a subsidiary, an office, distribution house,
27 sales house, warehouse or other place of business, or any
28 agent or other representative operating within this State
29 under the authority of the retailer or its subsidiary,
30 irrespective of whether such place of business or agent or
31 other representative is located here permanently or
32 temporarily, or whether such retailer or subsidiary is
33 licensed to do business in this State. However, the
34 ownership of property that is located at the premises of a
35 printer with which the retailer has contracted for printing
36 and that consists of the final printed product, property

1 that becomes a part of the final printed product, or copy
2 from which the printed product is produced shall not result
3 in the retailer being deemed to have or maintain an office,
4 distribution house, sales house, warehouse, or other place
5 of business within this State.

6 2. A retailer soliciting orders for tangible personal
7 property by means of a telecommunication or television
8 shopping system (which utilizes toll free numbers) which is
9 intended by the retailer to be broadcast by cable
10 television or other means of broadcasting, to consumers
11 located in this State.

12 3. A retailer, pursuant to a contract with a
13 broadcaster or publisher located in this State, soliciting
14 orders for tangible personal property by means of
15 advertising which is disseminated primarily to consumers
16 located in this State and only secondarily to bordering
17 jurisdictions.

18 4. A retailer soliciting orders for tangible personal
19 property by mail if the solicitations are substantial and
20 recurring and if the retailer benefits from any banking,
21 financing, debt collection, telecommunication, or
22 marketing activities occurring in this State or benefits
23 from the location in this State of authorized installation,
24 servicing, or repair facilities.

25 5. A retailer that is owned or controlled by the same
26 interests that own or control any retailer engaging in
27 business in the same or similar line of business in this
28 State.

29 6. A retailer having a franchisee or licensee operating
30 under its trade name if the franchisee or licensee is
31 required to collect the tax under this Section.

32 7. A retailer, pursuant to a contract with a cable
33 television operator located in this State, soliciting
34 orders for tangible personal property by means of
35 advertising which is transmitted or distributed over a
36 cable television system in this State.

1 8. A retailer engaging in activities in Illinois, which
2 activities in the state in which the retail business
3 engaging in such activities is located would constitute
4 maintaining a place of business in that state.

5 "Bulk vending machine" means a vending machine, containing
6 unsorted confections, nuts, toys, or other items designed
7 primarily to be used or played with by children which, when a
8 coin or coins of a denomination not larger than \$0.50 are
9 inserted, are dispensed in equal portions, at random and
10 without selection by the customer.

11 (Source: P.A. 92-213, eff. 1-1-02.)

12 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

33 Where such tangible personal property is sold under a
34 conditional sales contract, or under any other form of sale
35 wherein the payment of the principal sum, or a part thereof, is

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

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

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

20 1. The name of the seller;

21 2. The address of the principal place of business from
22 which he engages in the business of selling tangible
23 personal property at retail in this State;

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

29 4. The amount of credit provided in Section 2d of this
30 Act;

31 5. The amount of tax due;

32 5-5. The signature of the taxpayer; and

33 6. Such other reasonable information as the Department
34 may require.

35 If a taxpayer fails to sign a return within 30 days after
36 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be
2 due on the return shall be deemed assessed.

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

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

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

36 All taxpayers required to make payment by electronic funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 return.

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

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

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

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

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

1 of this State's government.

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

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

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

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

1 payable for such fiscal year pursuant to clause (b) of the
 2 preceding sentence. The moneys received by the Department
 3 pursuant to this Act and required to be deposited into the
 4 Build Illinois Fund are subject to the pledge, claim and charge
 5 set forth in Section 12 of the Build Illinois Bond Act.

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

	Fiscal Year	Total Deposit
18		
19	1993	\$0
20	1994	53,000,000
21	1995	58,000,000
22	1996	61,000,000
23	1997	64,000,000
24	1998	68,000,000
25	1999	71,000,000
26	2000	75,000,000
27	2001	80,000,000
28	2002	93,000,000
29	2003	99,000,000
30	2004	103,000,000
31	2005	108,000,000
32	2006	113,000,000
33	2007	119,000,000
34	2008	126,000,000
35	2009	132,000,000

1	2010	139,000,000
2	2011	146,000,000
3	2012	153,000,000
4	2013	161,000,000
5	2014	170,000,000
6	2015	179,000,000
7	2016	189,000,000
8	2017	199,000,000
9	2018	210,000,000
10	2019	221,000,000
11	2020	233,000,000
12	2021	246,000,000
13	2022	260,000,000
14	2023 and	275,000,000

15 each fiscal year
16 thereafter that bonds
17 are outstanding under
18 Section 13.2 of the
19 Metropolitan Pier and
20 Exposition Authority Act,
21 but not after fiscal year 2042.

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

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

1 preceding paragraphs or in any amendments thereto hereafter
2 enacted, beginning July 1, 1993, the Department shall each
3 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
4 the net revenue realized for the preceding month from the 6.25%
5 general rate on the selling price of tangible personal
6 property.

7 Subject to payment of amounts into the Build Illinois Fund
8 and the McCormick Place Expansion Project Fund pursuant to the
9 preceding paragraphs or in any amendments thereto hereafter
10 enacted, beginning with the receipt of the first report of
11 taxes paid by an eligible business and continuing for a 25-year
12 period, the Department shall each month pay into the Energy
13 Infrastructure Fund 80% of the net revenue realized from the
14 6.25% general rate on the selling price of Illinois-mined coal
15 that was sold to an eligible business. For purposes of this
16 paragraph, the term "eligible business" means a new electric
17 generating facility certified pursuant to Section 605-332 of
18 the Department of Commerce and Economic Opportunity ~~Community~~
19 ~~Affairs~~ Law of the Civil Administrative Code of Illinois.

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

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

33 Net revenue realized for a month shall be the revenue
34 collected by the State pursuant to this Act, less the amount
35 paid out during that month as refunds to taxpayers for
36 overpayment of liability.

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

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

13 Section 15. The Service Use Tax Act is amended by
14 re-enacting and changing Section 9 as follows:

15 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

16 Sec. 9. Each serviceman required or authorized to collect
17 the tax herein imposed shall pay to the Department the amount
18 of such tax (except as otherwise provided) at the time when he
19 is required to file his return for the period during which such
20 tax was collected, less a discount of 2.1% prior to January 1,
21 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
22 year, whichever is greater, which is allowed to reimburse the
23 serviceman for expenses incurred in collecting the tax, keeping
24 records, preparing and filing returns, remitting the tax and
25 supplying data to the Department on request. A serviceman need
26 not remit that part of any tax collected by him to the extent
27 that he is required to pay and does pay the tax imposed by the
28 Service Occupation Tax Act with respect to his sale of service
29 involving the incidental transfer by him of the same property.

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

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

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

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

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

27 Beginning October 1, 1993, a taxpayer who has an average
28 monthly tax liability of \$150,000 or more shall make all
29 payments required by rules of the Department by electronic
30 funds transfer. Beginning October 1, 1994, a taxpayer who has
31 an average monthly tax liability of \$100,000 or more shall make
32 all payments required by rules of the Department by electronic
33 funds transfer. Beginning October 1, 1995, a taxpayer who has
34 an average monthly tax liability of \$50,000 or more shall make
35 all payments required by rules of the Department by electronic
36 funds transfer. Beginning October 1, 2000, a taxpayer who has

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

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

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

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

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

31 If the serviceman is otherwise required to file a monthly
32 return and if the serviceman's average monthly tax liability to
33 the Department does not exceed \$200, the Department may
34 authorize his returns to be filed on a quarter annual basis,
35 with the return for January, February and March of a given year
36 being due by April 20 of such year; with the return for April,

1 May and June of a given year being due by July 20 of such year;
2 with the return for July, August and September of a given year
3 being due by October 20 of such year, and with the return for
4 October, November and December of a given year being due by
5 January 20 of the following year.

6 If the serviceman is otherwise required to file a monthly
7 or quarterly return and if the serviceman's average monthly tax
8 liability to the Department does not exceed \$50, the Department
9 may authorize his returns to be filed on an annual basis, with
10 the return for a given year being due by January 20 of the
11 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 Act concerning
16 the time within which a serviceman may file his return, in the
17 case of any serviceman who ceases to engage in a kind of
18 business which makes him responsible for filing returns under
19 this Act, such serviceman shall file a final return under this
20 Act with the Department not more than 1 month after
21 discontinuing such business.

22 Where a serviceman collects the tax with respect to the
23 selling price of property which he sells and the purchaser
24 thereafter returns such property and the serviceman refunds the
25 selling price thereof to the purchaser, such serviceman shall
26 also refund, to the purchaser, the tax so collected from the
27 purchaser. When filing his return for the period in which he
28 refunds such tax to the purchaser, the serviceman may deduct
29 the amount of the tax so refunded by him to the purchaser from
30 any other Service Use Tax, Service Occupation Tax, retailers'
31 occupation tax or use tax which such serviceman may be required
32 to pay or remit to the Department, as shown by such return,
33 provided that the amount of the tax to be deducted shall
34 previously have been remitted to the Department by such
35 serviceman. If the serviceman shall not previously have
36 remitted the amount of such tax to the Department, he shall be

1 entitled to no deduction hereunder upon refunding such tax to
2 the purchaser.

3 Any serviceman filing a return hereunder shall also include
4 the total tax upon the selling price of tangible personal
5 property purchased for use by him as an incident to a sale of
6 service, and such serviceman shall remit the amount of such tax
7 to the Department when filing such return.

8 If experience indicates such action to be practicable, the
9 Department may prescribe and furnish a combination or joint
10 return which will enable servicemen, who are required to file
11 returns hereunder and also under the Service Occupation Tax
12 Act, to furnish all the return information required by both
13 Acts on the one form.

14 Where the serviceman has more than one business registered
15 with the Department under separate registration hereunder,
16 such serviceman shall not file each return that is due as a
17 single return covering all such registered businesses, but
18 shall file separate returns for each such registered business.

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

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

36 Beginning August 1, 2000, each month the Department shall

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

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

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

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

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

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

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

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2042.

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

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

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

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

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

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

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

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

28 Section 20. The Service Occupation Tax Act is amended by
29 re-enacting Section 9 as follows:

30 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

31 Sec. 9. Each serviceman required or authorized to collect
32 the tax herein imposed shall pay to the Department the amount
33 of such tax at the time when he is required to file his return
34 for the period during which such tax was collectible, less a

1 discount of 2.1% prior to January 1, 1990, and 1.75% on and
2 after January 1, 1990, or \$5 per calendar year, whichever is
3 greater, which is allowed to reimburse the serviceman for
4 expenses incurred in collecting the tax, keeping records,
5 preparing and filing returns, remitting the tax and supplying
6 data to the Department on request.

7 Where such tangible personal property is sold under a
8 conditional sales contract, or under any other form of sale
9 wherein the payment of the principal sum, or a part thereof, is
10 extended beyond the close of the period for which the return is
11 filed, the serviceman, in collecting the tax may collect, for
12 each tax return period, only the tax applicable to the part of
13 the selling price actually received during such tax return
14 period.

15 Except as provided hereinafter in this Section, on or
16 before the twentieth day of each calendar month, such
17 serviceman shall file a return for the preceding calendar month
18 in accordance with reasonable rules and regulations to be
19 promulgated by the Department of Revenue. Such return shall be
20 filed on a form prescribed by the Department and shall contain
21 such information as the Department may reasonably require.

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

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

1 Act;

2 5. The amount of tax due;

3 5-5. The signature of the taxpayer; and

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

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

10 Prior to October 1, 2003, and on and after September 1,
11 2004 a serviceman may accept a Manufacturer's Purchase Credit
12 certification from a purchaser in satisfaction of Service Use
13 Tax as provided in Section 3-70 of the Service Use Tax Act if
14 the purchaser provides the appropriate documentation as
15 required by Section 3-70 of the Service Use Tax Act. A
16 Manufacturer's Purchase Credit certification, accepted prior
17 to October 1, 2003 or on or after September 1, 2004 by a
18 serviceman as provided in Section 3-70 of the Service Use Tax
19 Act, may be used by that serviceman to satisfy Service
20 Occupation Tax liability in the amount claimed in the
21 certification, not to exceed 6.25% of the receipts subject to
22 tax from a qualifying purchase. A Manufacturer's Purchase
23 Credit reported on any original or amended return filed under
24 this Act after October 20, 2003 for reporting periods prior to
25 September 1, 2004 shall be disallowed. Manufacturer's Purchase
26 Credit reported on annual returns due on or after January 1,
27 2005 will be disallowed for periods prior to September 1, 2004.
28 No Manufacturer's Purchase Credit may be used after September
29 30, 2003 through August 31, 2004 to satisfy any tax liability
30 imposed under this Act, including any audit liability.

31 If the serviceman's average monthly tax liability to the
32 Department does not exceed \$200, the Department may authorize
33 his returns to be filed on a quarter annual basis, with the
34 return for January, February and March of a given year being
35 due by April 20 of such year; with the return for April, May
36 and June of a given year being due by July 20 of such year; with

1 the return for July, August and September of a given year being
2 due by October 20 of such year, and with the return for
3 October, November and December of a given year being due by
4 January 20 of the following year.

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

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

12 Notwithstanding any other provision in this Act concerning
13 the time within which a serviceman may file his return, in the
14 case of any serviceman who ceases to engage in a kind of
15 business which makes him responsible for filing returns under
16 this Act, such serviceman shall file a final return under this
17 Act with the Department not more than 1 month after
18 discontinuing such business.

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

1 State and local occupation and use tax laws administered by the
2 Department, for the immediately preceding calendar year
3 divided by 12. Beginning on October 1, 2002, a taxpayer who has
4 a tax liability in the amount set forth in subsection (b) of
5 Section 2505-210 of the Department of Revenue Law shall make
6 all payments required by rules of the Department by electronic
7 funds transfer.

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

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

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

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

23 Where a serviceman collects the tax with respect to the
24 selling price of tangible personal property which he sells and
25 the purchaser thereafter returns such tangible personal
26 property and the serviceman refunds the selling price thereof
27 to the purchaser, such serviceman shall also refund, to the
28 purchaser, the tax so collected from the purchaser. When filing
29 his return for the period in which he refunds such tax to the
30 purchaser, the serviceman may deduct the amount of the tax so
31 refunded by him to the purchaser from any other Service
32 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or
33 Use Tax which such serviceman may be required to pay or remit
34 to the Department, as shown by such return, provided that the
35 amount of the tax to be deducted shall previously have been
36 remitted to the Department by such serviceman. If the

1 serviceman shall not previously have remitted the amount of
2 such tax to the Department, he shall be entitled to no
3 deduction hereunder upon refunding such tax to the purchaser.

4 If experience indicates such action to be practicable, the
5 Department may prescribe and furnish a combination or joint
6 return which will enable servicemen, who are required to file
7 returns hereunder and also under the Retailers' Occupation Tax
8 Act, the Use Tax Act or the Service Use Tax Act, to furnish all
9 the return information required by all said Acts on the one
10 form.

11 Where the serviceman has more than one business registered
12 with the Department under separate registrations hereunder,
13 such serviceman shall file separate returns for each registered
14 business.

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

24 Beginning January 1, 1990, each month the Department shall
25 pay into the County and Mass Transit District Fund 4% of the
26 revenue realized for the preceding month from the 6.25% general
27 rate.

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

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

36 Beginning August 1, 2000, each month the Department shall

1 pay into the Local Government Tax Fund 80% of the net revenue
2 realized for the preceding month from the 1.25% rate on the
3 selling price of motor fuel and gasohol.

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

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

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

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

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

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

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2042.

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

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

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

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

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

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

1 If the annual information return required by this Section
2 is not filed when and as required, the taxpayer shall be liable
3 as follows:

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

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

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

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

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

33 Net revenue realized for a month shall be the revenue
34 collected by the State pursuant to this Act, less the amount
35 paid out during that month as refunds to taxpayers for
36 overpayment of liability.

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

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

12 Section 25. The Retailers' Occupation Tax Act is amended by
13 re-enacting Sections 3 and 11 as follows:

14 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

20 1. The name of the seller;

21 2. His residence address and the address of his
22 principal place of business and the address of the
23 principal place of business (if that is a different
24 address) from which he engages in the business of selling
25 tangible personal property at retail in this State;

26 3. Total amount of receipts received by him during the
27 preceding calendar month or quarter, as the case may be,
28 from sales of tangible personal property, and from services
29 furnished, by him during such preceding calendar month or
30 quarter;

31 4. Total amount received by him during the preceding
32 calendar month or quarter on charge and time sales of
33 tangible personal property, and from services furnished,
34 by him prior to the month or quarter for which the return

1 is filed;

2 5. Deductions allowed by law;

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

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

8 8. The amount of tax due;

9 9. The signature of the taxpayer; and

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

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

16 Each return shall be accompanied by the statement of
17 prepaid tax issued pursuant to Section 2e for which credit is
18 claimed.

19 Prior to October 1, 2003, and on and after September 1,
20 2004 a retailer may accept a Manufacturer's Purchase Credit
21 certification from a purchaser in satisfaction of Use Tax as
22 provided in Section 3-85 of the Use Tax Act if the purchaser
23 provides the appropriate documentation as required by Section
24 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
25 certification, accepted by a retailer prior to October 1, 2003
26 and on and after September 1, 2004 as provided in Section 3-85
27 of the Use Tax Act, may be used by that retailer to satisfy
28 Retailers' Occupation Tax liability in the amount claimed in
29 the certification, not to exceed 6.25% of the receipts subject
30 to tax from a qualifying purchase. A Manufacturer's Purchase
31 Credit reported on any original or amended return filed under
32 this Act after October 20, 2003 for reporting periods prior to
33 September 1, 2004 shall be disallowed. Manufacturer's
34 Purchaser Credit reported on annual returns due on or after
35 January 1, 2005 will be disallowed for periods prior to
36 September 1, 2004. No Manufacturer's Purchase Credit may be

1 used after September 30, 2003 through August 31, 2004 to
2 satisfy any tax liability imposed under this Act, including any
3 audit liability.

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

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

25 Beginning on October 1, 2003, any person who is not a
26 licensed distributor, importing distributor, or manufacturer,
27 as defined in the Liquor Control Act of 1934, but is engaged in
28 the business of selling, at retail, alcoholic liquor shall file
29 a statement with the Department of Revenue, in a format and at
30 a time prescribed by the Department, showing the total amount
31 paid for alcoholic liquor purchased during the preceding month
32 and such other information as is reasonably required by the
33 Department. The Department may adopt rules to require that this
34 statement be filed in an electronic or telephonic format. Such
35 rules may provide for exceptions from the filing requirements
36 of this paragraph. For the purposes of this paragraph, the term

1 "alcoholic liquor" shall have the meaning prescribed in the
2 Liquor Control Act of 1934.

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

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

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

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

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

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

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

35 The Department shall adopt such rules as are necessary to
36 effectuate a program of electronic funds transfer and the

1 requirements of this Section.

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

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

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

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

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

36 Where the same person has more than one business registered

1 with the Department under separate registrations under this
2 Act, such person may not file each return that is due as a
3 single return covering all such registered businesses, but
4 shall file separate returns for each such registered business.

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

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

36 The transaction reporting return, in the case of motor

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

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

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

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

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

34 If the user who would otherwise pay tax to the retailer
35 wants the transaction reporting return filed and the payment of
36 the tax or proof of exemption made to the Department before the

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

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

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

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

32 Except as provided in this Section, the retailer filing the
33 return under this Section shall, at the time of filing such
34 return, pay to the Department the amount of tax imposed by this
35 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
36 on and after January 1, 1990, or \$5 per calendar year,

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

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

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

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

1 govern the quarter monthly payment amount and quarter monthly
2 payment dates for taxpayers who file on other than a calendar
3 monthly basis.

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

1 interest on such difference, except insofar as the taxpayer has
2 previously made payments for that month in excess of the
3 minimum payments previously due.

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

34 If any payment provided for in this Section exceeds the
35 taxpayer's liabilities under this Act, the Use Tax Act, the
36 Service Occupation Tax Act and the Service Use Tax Act, as

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

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

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

35 Beginning January 1, 1990, each month the Department shall
36 pay into the County and Mass Transit District Fund, a special

1	1986	\$54,800,000
2	1987	\$76,650,000
3	1988	\$80,480,000
4	1989	\$88,510,000
5	1990	\$115,330,000
6	1991	\$145,470,000
7	1992	\$182,730,000
8	1993	\$206,520,000;

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

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

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

34		Total
	Fiscal Year	Deposit
35	1993	\$0

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

31 each fiscal year
32 thereafter that bonds
33 are outstanding under
34 Section 13.2 of the
35 Metropolitan Pier and
36 Exposition Authority Act,

1 but not after fiscal year 2042.

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

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

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

36 Of the remainder of the moneys received by the Department

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

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

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

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

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

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

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

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

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

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

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

36 Any person who promotes, organizes, provides retail

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

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

1 (Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-208,
2 eff. 8-2-01; 92-484, eff. 8-23-01; 92-492, eff. 1-1-02; 92-600,
3 eff. 6-28-02; 92-651, eff. 7-11-02; 93-22, eff. 6-20-03; 93-24,
4 eff. 6-20-03; 93-840, eff. 7-30-04; 93-926, eff. 8-12-04;
5 93-1057, eff. 12-2-04; revised 12-6-04.)

6 (35 ILCS 120/11) (from Ch. 120, par. 450)

7 Sec. 11. All information received by the Department from
8 returns filed under this Act, or from any investigation
9 conducted under this Act, shall be confidential, except for
10 official purposes, and any person who divulges any such
11 information in any manner, except in accordance with a proper
12 judicial order or as otherwise provided by law, shall be guilty
13 of a Class B misdemeanor.

14 Nothing in this Act prevents the Director of Revenue from
15 publishing or making available to the public the names and
16 addresses of persons filing returns under this Act, or
17 reasonable statistics concerning the operation of the tax by
18 grouping the contents of returns so the information in any
19 individual return is not disclosed.

20 Nothing in this Act prevents the Director of Revenue from
21 divulging to the United States Government or the government of
22 any other state, or any village that does not levy any real
23 property taxes for village operations and that receives more
24 than 60% of its general corporate revenue from taxes under the
25 Use Tax Act, the Service Use Tax Act, the Service Occupation
26 Tax Act, and the Retailers' Occupation Tax Act, or any officer
27 or agency thereof, for exclusively official purposes,
28 information received by the Department in administering this
29 Act, provided that such other governmental agency agrees to
30 divulge requested tax information to the Department.

31 The Department's furnishing of information derived from a
32 taxpayer's return or from an investigation conducted under this
33 Act to the surety on a taxpayer's bond that has been furnished
34 to the Department under this Act, either to provide notice to
35 such surety of its potential liability under the bond or, in

1 order to support the Department's demand for payment from such
2 surety under the bond, is an official purpose within the
3 meaning of this Section.

4 The furnishing upon request of information obtained by the
5 Department from returns filed under this Act or investigations
6 conducted under this Act to the Illinois Liquor Control
7 Commission for official use is deemed to be an official purpose
8 within the meaning of this Section.

9 Notice to a surety of potential liability shall not be
10 given unless the taxpayer has first been notified, not less
11 than 10 days prior thereto, of the Department's intent to so
12 notify the surety.

13 The furnishing upon request of the Auditor General, or his
14 authorized agents, for official use, of returns filed and
15 information related thereto under this Act is deemed to be an
16 official purpose within the meaning of this Section.

17 Where an appeal or a protest has been filed on behalf of a
18 taxpayer, the furnishing upon request of the attorney for the
19 taxpayer of returns filed by the taxpayer and information
20 related thereto under this Act is deemed to be an official
21 purpose within the meaning of this Section.

22 The furnishing of financial information to a home rule unit
23 or non-home rule unit that has imposed a tax similar to that
24 imposed by this Act pursuant to its home rule powers or the
25 successful passage of a public referendum by a majority of the
26 registered voters of the community, or to any village that does
27 not levy any real property taxes for village operations and
28 that receives more than 60% of its general corporate revenue
29 from taxes under the Use Tax Act, the Service Use Tax Act, the
30 Service Occupation Tax Act, and the Retailers' Occupation Tax
31 Act, upon request of the Chief Executive thereof, is an
32 official purpose within the meaning of this Section, provided
33 the home rule unit, non-home rule unit with referendum
34 approval, or village that does not levy any real property taxes
35 for village operations and that receives more than 60% of its
36 general corporate revenue from taxes under the Use Tax Act, the

1 Service Use Tax Act, the Service Occupation Tax Act, and the
2 Retailers' Occupation Tax Act agrees in writing to the
3 requirements of this Section.

4 For a village that does not levy any real property taxes
5 for village operations and that receives more than 60% of its
6 general corporate revenue from taxes under the Use Tax Act,
7 Service Use Tax Act, Service Occupation Tax Act, and Retailers'
8 Occupation Tax Act, the officers eligible to receive
9 information from the Department of Revenue under this Section
10 are the village manager and the chief financial officer of the
11 village.

12 Information so provided shall be subject to all
13 confidentiality provisions of this Section. The written
14 agreement shall provide for reciprocity, limitations on
15 access, disclosure, and procedures for requesting information.

16 The Department may make available to the Board of Trustees
17 of any Metro East Mass Transit District information contained
18 on transaction reporting returns required to be filed under
19 Section 3 of this Act that report sales made within the
20 boundary of the taxing authority of that Metro East Mass
21 Transit District, as provided in Section 5.01 of the Local Mass
22 Transit District Act. The disclosure shall be made pursuant to
23 a written agreement between the Department and the Board of
24 Trustees of a Metro East Mass Transit District, which is an
25 official purpose within the meaning of this Section. The
26 written agreement between the Department and the Board of
27 Trustees of a Metro East Mass Transit District shall provide
28 for reciprocity, limitations on access, disclosure, and
29 procedures for requesting information. Information so provided
30 shall be subject to all confidentiality provisions of this
31 Section.

32 The Director may make available to any State agency,
33 including the Illinois Supreme Court, which licenses persons to
34 engage in any occupation, information that a person licensed by
35 such agency has failed to file returns under this Act or pay
36 the tax, penalty and interest shown therein, or has failed to

1 pay any final assessment of tax, penalty or interest due under
2 this Act. The Director may make available to any State agency,
3 including the Illinois Supreme Court, information regarding
4 whether a bidder, contractor, or an affiliate of a bidder or
5 contractor has failed to collect and remit Illinois Use tax on
6 sales into Illinois, or any tax under this Act or pay the tax,
7 penalty, and interest shown therein, or has failed to pay any
8 final assessment of tax, penalty, or interest due under this
9 Act, for the limited purpose of enforcing bidder and contractor
10 certifications. The Director may make available to units of
11 local government and school districts that require bidder and
12 contractor certifications, as set forth in Sections 50-11 and
13 50-12 of the Illinois Procurement Code, information regarding
14 whether a bidder, contractor, or an affiliate of a bidder or
15 contractor has failed to collect and remit Illinois Use tax on
16 sales into Illinois, file returns under this Act, or pay the
17 tax, penalty, and interest shown therein, or has failed to pay
18 any final assessment of tax, penalty, or interest due under
19 this Act, for the limited purpose of enforcing bidder and
20 contractor certifications. For purposes of this Section, the
21 term "affiliate" means any entity that (1) directly,
22 indirectly, or constructively controls another entity, (2) is
23 directly, indirectly, or constructively controlled by another
24 entity, or (3) is subject to the control of a common entity.
25 For purposes of this Section, an entity controls another entity
26 if it owns, directly or individually, more than 10% of the
27 voting securities of that entity. As used in this Section, the
28 term "voting security" means a security that (1) confers upon
29 the holder the right to vote for the election of members of the
30 board of directors or similar governing body of the business or
31 (2) is convertible into, or entitles the holder to receive upon
32 its exercise, a security that confers such a right to vote. A
33 general partnership interest is a voting security.

34 The Director may make available to any State agency,
35 including the Illinois Supreme Court, units of local
36 government, and school districts, information regarding

1 whether a bidder or contractor is an affiliate of a person who
2 is not collecting and remitting Illinois Use taxes for the
3 limited purpose of enforcing bidder and contractor
4 certifications.

5 The Director may also make available to the Secretary of
6 State information that a limited liability company, which has
7 filed articles of organization with the Secretary of State, or
8 corporation which has been issued a certificate of
9 incorporation by the Secretary of State has failed to file
10 returns under this Act or pay the tax, penalty and interest
11 shown therein, or has failed to pay any final assessment of
12 tax, penalty or interest due under this Act. An assessment is
13 final when all proceedings in court for review of such
14 assessment have terminated or the time for the taking thereof
15 has expired without such proceedings being instituted.

16 The Director shall make available for public inspection in
17 the Department's principal office and for publication, at cost,
18 administrative decisions issued on or after January 1, 1995.
19 These decisions are to be made available in a manner so that
20 the following taxpayer information is not disclosed:

21 (1) The names, addresses, and identification numbers
22 of the taxpayer, related entities, and employees.

23 (2) At the sole discretion of the Director, trade
24 secrets or other confidential information identified as
25 such by the taxpayer, no later than 30 days after receipt
26 of an administrative decision, by such means as the
27 Department shall provide by rule.

28 The Director shall determine the appropriate extent of the
29 deletions allowed in paragraph (2). In the event the taxpayer
30 does not submit deletions, the Director shall make only the
31 deletions specified in paragraph (1).

32 The Director shall make available for public inspection and
33 publication an administrative decision within 180 days after
34 the issuance of the administrative decision. The term
35 "administrative decision" has the same meaning as defined in
36 Section 3-101 of Article III of the Code of Civil Procedure.

1 Costs collected under this Section shall be paid into the Tax
2 Compliance and Administration Fund.

3 Nothing contained in this Act shall prevent the Director
4 from divulging information to any person pursuant to a request
5 or authorization made by the taxpayer or by an authorized
6 representative of the taxpayer.

7 (Source: P.A. 93-25, eff. 6-20-03; 93-939, eff. 8-13-04.)

8 Section 30. The Cigarette Tax Act is amended by re-enacting
9 Section 10b as follows:

10 (35 ILCS 130/10b) (from Ch. 120, par. 453.10b)

11 Sec. 10b. All information received by the Department from
12 returns filed under this Act, or from any investigation
13 conducted under this Act, shall be confidential, except for
14 official purposes, and any person who divulges any such
15 information in any manner, except in accordance with a proper
16 judicial order or as otherwise provided by law, shall be guilty
17 of a Class A misdemeanor.

18 Nothing in this Act prevents the Director of Revenue from
19 publishing or making available to the public the names and
20 addresses of persons filing returns under this Act, or
21 reasonable statistics concerning the operation of the tax by
22 grouping the contents of returns so that the information in any
23 individual return is not disclosed.

24 Nothing in this Act prevents the Director of Revenue from
25 divulging to the United States Government or the government of
26 any other state, or any officer or agency thereof, for
27 exclusively official purposes, information received by the
28 Department in administering this Act, provided that such other
29 governmental agency agrees to divulge requested tax
30 information to the Department.

31 The furnishing upon request of the Auditor General, or his
32 authorized agents, for official use, of returns filed and
33 information related thereto under this Act is deemed to be an
34 official purpose within the meaning of this Section.

1 The furnishing of financial information to a home rule unit
2 with a population in excess of 2,000,000 that has imposed a tax
3 similar to that imposed by this Act under its home rule powers,
4 upon request of the Chief Executive of the home rule unit, is
5 an official purpose within the meaning of this Section,
6 provided the home rule unit agrees in writing to the
7 requirements of this Section. Information so provided is
8 subject to all confidentiality provisions of this Section. The
9 written agreement shall provide for reciprocity, limitations
10 on access, disclosure, and procedures for requesting
11 information.

12 The Director may make available to any State agency,
13 including the Illinois Supreme Court, which licenses persons to
14 engage in any occupation, information that a person licensed by
15 such agency has failed to file returns under this Act or pay
16 the tax, penalty and interest shown therein, or has failed to
17 pay any final assessment of tax, penalty or interest due under
18 this Act. An assessment is final when all proceedings in court
19 for review of such assessment have terminated or the time for
20 the taking thereof has expired without such proceedings being
21 instituted.

22 The Director shall make available for public inspection in
23 the Department's principal office and for publication, at cost,
24 administrative decisions issued on or after January 1, 1995.
25 These decisions are to be made available in a manner so that
26 the following taxpayer information is not disclosed:

27 (1) The names, addresses, and identification numbers
28 of the taxpayer, related entities, and employees.

29 (2) At the sole discretion of the Director, trade
30 secrets or other confidential information identified as
31 such by the taxpayer, no later than 30 days after receipt
32 of an administrative decision, by such means as the
33 Department shall provide by rule.

34 The Director shall determine the appropriate extent of the
35 deletions allowed in paragraph (2). In the event the taxpayer
36 does not submit deletions, the Director shall make only the

1 deletions specified in paragraph (1).

2 The Director shall make available for public inspection and
3 publication an administrative decision within 180 days after
4 the issuance of the administrative decision. The term
5 "administrative decision" has the same meaning as defined in
6 Section 3-101 of Article III of the Code of Civil Procedure.
7 Costs collected under this Section shall be paid into the Tax
8 Compliance and Administration Fund.

9 Nothing contained in this Act shall prevent the Director
10 from divulging information to any person pursuant to a request
11 or authorization made by the taxpayer or by an authorized
12 representative of the taxpayer.

13 (Source: P.A. 90-491, eff. 1-1-98.)

14 Section 35. The Cigarette Use Tax Act is amended by
15 re-enacting Section 20 as follows:

16 (35 ILCS 135/20) (from Ch. 120, par. 453.50)

17 Sec. 20. All information received by the Department from
18 returns filed under this Act, or from any investigation
19 conducted under this Act, shall be confidential, except for
20 official purposes, and any person who divulges any such
21 information in any manner, except in accordance with a proper
22 judicial order or as otherwise provided by law, shall be guilty
23 of a Class A misdemeanor.

24 Nothing in this Act prevents the Director of Revenue from
25 publishing or making available to the public the names and
26 addresses of persons filing returns under this Act, or
27 reasonable statistics concerning the operation of the tax by
28 grouping the contents of returns so that the information in any
29 individual return is not disclosed.

30 Nothing in this Act prevents the Director of Revenue from
31 divulging to the United States Government or the government of
32 any other state, or any officer or agency thereof, for
33 exclusively official purposes, information received by the
34 Department in administering this Act, provided that such other

1 governmental agency agrees to divulge requested tax
2 information to the Department.

3 The furnishing upon request of the Auditor General, or his
4 authorized agents, for official use, of returns filed and
5 information related thereto under this Act is deemed to be an
6 official purpose within the meaning of this Section.

7 The furnishing of financial information to a home rule unit
8 with a population in excess of 2,000,000 that has imposed a tax
9 similar to that imposed by this Act under its home rule powers,
10 upon request of the Chief Executive of the home rule unit, is
11 an official purpose within the meaning of this Section,
12 provided the home rule unit agrees in writing to the
13 requirements of this Section. Information so provided is
14 subject to all confidentiality provisions of this Section. The
15 written agreement shall provide for reciprocity, limitations
16 on access, disclosure, and procedures for requesting
17 information.

18 The Director may make available to any State agency,
19 including the Illinois Supreme Court, which licenses persons to
20 engage in any occupation, information that a person licensed by
21 such agency has failed to file returns under this Act or pay
22 the tax, penalty and interest shown therein, or has failed to
23 pay any final assessment of tax, penalty or interest due under
24 this Act. An assessment is final when all proceedings in court
25 for review of such assessment have terminated or the time for
26 the taking thereof has expired without such proceedings being
27 instituted.

28 The Director shall make available for public inspection in
29 the Department's principal office and for publication, at cost,
30 administrative decisions issued on or after January 1, 1995.
31 These decisions are to be made available in a manner so that
32 the following taxpayer information is not disclosed:

33 (1) The names, addresses, and identification numbers
34 of the taxpayer, related entities, and employees.

35 (2) At the sole discretion of the Director, trade
36 secrets or other confidential information identified as

1 such by the taxpayer, no later than 30 days after receipt
2 of an administrative decision, by such means as the
3 Department shall provide by rule.

4 The Director shall determine the appropriate extent of the
5 deletions allowed in paragraph (2). In the event the taxpayer
6 does not submit deletions, the Director shall make only the
7 deletions specified in paragraph (1).

8 The Director shall make available for public inspection and
9 publication an administrative decision within 180 days after
10 the issuance of the administrative decision. The term
11 "administrative decision" has the same meaning as defined in
12 Section 3-101 of Article III of the Code of Civil Procedure.
13 Costs collected under this Section shall be paid into the Tax
14 Compliance and Administration Fund.

15 Nothing contained in this Act shall prevent the Director
16 from divulging information to any person pursuant to a request
17 or authorization made by the taxpayer or by an authorized
18 representative of the taxpayer.

19 (Source: P.A. 90-491, eff. 1-1-98.)

20 Section 45. The Longtime Owner-Occupant Property Tax
21 Relief Act is amended by re-enacting Section 20 as follows:

22 (35 ILCS 250/20)

23 Sec. 20. Conditions of deferral or exemption.

24 (a) Any deferral or exemption of payment of an increase in
25 real property taxes granted under this Act shall be limited to
26 real property that meets both of the following conditions:

27 (1) The property is owned and occupied by a longtime
28 owner-occupant.

29 (2) The property is the principal residence and
30 domicile of the longtime owner-occupant.

31 The corporate authorities of a county, by ordinance or
32 resolution, may impose additional criteria for qualifying for a
33 deferral or exemption under this Act including, but not limited
34 to, (i) requiring the owner-occupant to have owned and occupied

1 the same dwelling place as principal residence and domicile for
2 a period of more than 10 years, (ii) establishing age criteria
3 for eligibility of an owner-occupant, and (iii) establishing
4 income criteria for eligibility of an owner-occupant. A
5 deferral or exemption, or combination thereof, under an
6 ordinance or resolution adopted pursuant to this Act, may not
7 exceed \$20,000 in equalized assessed value per tax year.

8 (b) No penalties or interest shall accrue on the portion of
9 any deferral granted under this Act.

10 (c) Except as provided in subsection (d) of Section 15,
11 school districts and municipalities within a county to which
12 this Act applies may determine whether financial need, age, or
13 both, of the longtime owner-occupant shall be used to determine
14 eligibility.

15 (Source: P.A. 93-715, eff. 7-12-04.)

16 Section 50. The Motor Fuel Tax Law is amended by
17 re-enacting Sections 1.16, 13a.3, 13a.4, 13a.5, 13a.6, 15, and
18 16 as follows:

19 (35 ILCS 505/1.16) (from Ch. 120, par. 417.16)

20 Sec. 1.16. "Commercial motor vehicle" means a motor vehicle
21 used, designed, or maintained for the transportation of persons
22 or property and either having 2 axles and a gross vehicle
23 weight or registered gross vehicle weight exceeding 26,000
24 pounds or 11,793 kilograms, or having 3 or more axles
25 regardless of weight, or that is used in combination, when the
26 weight of the combination exceeds 26,000 pounds or 11,793
27 kilograms gross vehicle weight or registered gross vehicle
28 weight, except for motor vehicles operated by this State or the
29 United States, recreational vehicles, school buses, and
30 commercial motor vehicles operated solely within this State for
31 which all motor fuel is purchased within this State. Vehicles
32 that are exempted from registration, but are required to be
33 registered for operations in other jurisdictions may apply for
34 a motor fuel use tax license and decal under the provisions of

1 the International Fuel Tax Agreement referenced in Section 14a
2 of this Act.

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

4 (35 ILCS 505/13a.3) (from Ch. 120, par. 429a3)

5 Sec. 13a.3. Every person holding a valid unrevoked motor
6 fuel use tax license issued under Section 13a.4 of this Act
7 shall, on or before the last day of the month next succeeding
8 any calendar quarter, file with the Department a report, in
9 such form as the Department may by rule or regulation
10 prescribe, setting forth a statement of the number of miles
11 traveled in every jurisdiction and in this State during the
12 previous calendar quarter, the number of gallons and type of
13 reportable motor fuel consumed on the highways of every
14 jurisdiction and of this State, and the total number of gallons
15 and types of tax paid fuel purchased within every jurisdiction
16 during said previous calendar quarter. A motor carrier who
17 purchases motor fuel in this State who pays a tax thereon under
18 any section of the Motor Fuel Tax Law other than Sections 13a,
19 13a.1, 13a.2 and 13a.3, and who does not apply for a refund
20 under Section 13 of the Motor Fuel Tax Law, shall receive a
21 gallon for gallon credit against his liability under Sections
22 13a, 13a.1, 13a.2 and 13a.3 hereof. The rate under Section 2 of
23 this Act shall apply to each gallon of motor fuel used by such
24 motor carrier on the highways of Illinois during the previous
25 calendar quarter in excess of the motor fuel purchased in
26 Illinois during such previous calendar quarter.

27 The rate under subsection (2) of Section 13a of this Act
28 shall apply to each gallon of motor fuel used by such motor
29 carrier on the highways of Illinois during the previous
30 calendar quarter. For purposes of the preceding paragraphs
31 "used" shall be determined as provided in Section 13a.2 of this
32 Act.

33 For such motor fuel consumed during the previous calendar
34 quarter, said tax shall be payable on the last day of the month
35 next succeeding such previous calendar quarter and shall bear

1 interest at the rate of 1% per month or fraction of month until
2 paid. Motor carriers required to file bonds under Section 13a.4
3 of this Act shall make tax payments to the Department by
4 certified check.

5 Reports not filed by the due date shall be considered late
6 and any taxes due considered delinquent. The licensee may be
7 assessed a penalty of \$50 or 10% of the delinquent taxes,
8 whichever is greater, for failure to file a report, or for
9 filing a late report, or for underpayment of taxes due.

10 As to each gallon of motor fuel purchased in Illinois by
11 such motor carrier during the previous calendar quarter in
12 excess of the number of gallons of motor fuel used by such
13 motor carrier on the highways of Illinois during such previous
14 calendar quarter, the taxpayer may take a credit for the
15 current calendar quarter or the Department may issue a credit
16 memorandum or refund to such motor carrier for any tax imposed
17 by Part (a) of Section 13a of this Act paid on each such
18 gallon. If a credit is given, the credit memorandum shall be
19 carried over to offset liabilities of the licensee until the
20 credit is fully offset or until 8 calendar quarters pass after
21 the end of the calendar quarter in which the credit accrued,
22 whichever occurs sooner.

23 A motor carrier who purchases motor fuel in this State
24 shall be entitled to a refund under this Section or a credit
25 against all his liabilities under Sections 13a, 13a.1, 13a.2
26 and 13a.3 hereof for taxes imposed by the Use Tax Act, the
27 Retailers' Occupation Tax Act, the Municipal Retailers'
28 Occupation Tax Act and the County Retailers' Occupation Tax Act
29 on such motor fuel at a rate equal to that established by
30 subsection (2) of Section 13a of this Act, provided that such
31 taxes have been paid by the taxpayer and such taxes have been
32 charged to the motor carrier claiming the credit or refund.

33 (Source: P.A. 87-205; 88-480; 88-669, eff. 11-29-94.)

34 (35 ILCS 505/13a.4) (from Ch. 120, par. 429a4)

35 Sec. 13a.4. Except as provided in Section 13a.5 of this

1 Act, no motor carrier shall operate in Illinois without first
2 securing a motor fuel use tax license and decals from the
3 Department or a motor fuel use tax license and decals issued
4 under the International Fuel Tax Agreement by any member
5 jurisdiction. Application for such license and decals shall be
6 made annually to the Department on forms prescribed by the
7 Department. The application shall be under oath, and shall
8 contain such information as the Department deems necessary. The
9 Department, for cause, may require an applicant to post a bond
10 on a form to be approved by and with a surety or sureties
11 satisfactory to the Department conditioned upon such applicant
12 paying to the State of Illinois all monies becoming due by
13 reason of the sale or use of motor fuel by the applicant,
14 together with all penalties and interest thereon. If a bond is
15 required, it shall be equal to at least twice the estimated
16 average tax liability of a quarterly return. The Department
17 shall fix the penalty of such bond in each case taking into
18 consideration the amount of motor fuel expected to be used by
19 such applicant and the penalty fixed by the Department shall be
20 such as, in its opinion, will protect the State of Illinois
21 against failure to pay the amount hereinafter provided on motor
22 fuel used. No person who is in default to the State for monies
23 due under this Act for the sale, distribution or use of motor
24 fuel shall receive such a license or decal.

25 Upon receipt of the application for license in proper form,
26 and upon payment of any required \$100 reinstatement fee, and
27 upon approval by the Department of the bond furnished by the
28 applicant, the Department may issue to such applicant a license
29 which allows the operation of commercial motor vehicles in
30 Illinois, and decals for each commercial motor vehicle
31 operating in Illinois. Prior to January 1, 1985, motor fuel use
32 tax licenses shall be conspicuously displayed in the cab of
33 each commercial motor vehicle operating in Illinois. After
34 January 1, 1986, motor fuel use tax licenses shall be carried
35 in the cab of each commercial motor vehicle operating in
36 Illinois.

1 The Department shall, by regulation, provide for the use of
2 reproductions of original motor fuel use tax licenses in lieu
3 of issuing multiple original motor fuel use tax licenses to
4 licensees.

5 On and after January 1, 1985, external motor fuel tax
6 decals shall be conspicuously displayed on the passenger side
7 of each commercial motor vehicle propelled by motor fuel
8 operating in Illinois, except buses, which may display such
9 devices on the driver's side of the vehicle. Beginning with the
10 effective date of this amendatory Act of 1993 or the membership
11 of the State of Illinois in the International Fuel Tax
12 Agreement, whichever is later, the decals issued to the
13 licensee shall be placed on both exterior sides of the cab. In
14 the case of transporters, manufacturers, dealers, or driveway
15 operations, the decals need not be permanently affixed but may
16 be temporarily displayed in a visible manner on the exterior
17 sides of the cab. Failure to display the decals in the required
18 locations may subject the vehicle operator to the purchase of a
19 trip permit and a citation. Such motor fuel tax decals shall be
20 issued by the Department and remain valid for a period of 2
21 calendar years, beginning January 1, 1985. The decals shall
22 expire at the end of the regular 2 year issuance period, with
23 new decals required to be displayed at that time. Beginning
24 January 1, 1993, the motor fuel decals shall be issued by the
25 Department and remain valid for a period of one calendar year.
26 The decals shall expire at the end of the regular one year
27 issuance period, with new decals required to be displayed at
28 that time. Decals shall be no larger than 3 inches by 3 inches.
29 Prior to January 1, 1993, a fee of \$7.50 shall be charged by
30 the Department for each decal issued prior to and during the 2
31 calendar years such decal is valid. Beginning January 1, 1993,
32 a fee of \$3.75 shall be charged by the Department for each
33 decal issued prior to and during the calendar year such decal
34 is valid. Beginning January 1, 1994, \$3.75 shall be charged for
35 a set of 2 decals. The Department may also prescribe procedures
36 for the issuance of replacement decals, with a maximum fee of

1 \$2 for each set of replacement decals issued. The transfer of
2 decals from one vehicle to another vehicle or from one motor
3 carrier to another motor carrier is prohibited. The fees paid
4 for the decals issued under this Section shall be deposited in
5 the Motor Fuel Tax Fund, and may be appropriated to the
6 Department for administration of this Section and enforcement
7 of the tax imposed by Section 13a of this Act.

8 To avoid duplicate reporting of mileage and payment of any
9 tax arising therefrom under Section 13a.3 of this Act, the
10 Department shall, by regulation, provide for the allocation
11 between lessors and lessees of the same commercial motor
12 vehicle or vehicles of the responsibility as a motor carrier
13 for the reporting of mileage and the liability for tax arising
14 under Section 13a.3 of this Act, and for registration,
15 furnishing of bond, carrying of motor fuel use tax licenses,
16 and display of decals under this Section, and for all other
17 duties imposed upon motor carriers by this Act.

18 (Source: P.A. 87-879; 88-480; 88-669, eff. 11-29-94.)

19 (35 ILCS 505/13a.5) (from Ch. 120, par. 429a5)

20 Sec. 13a.5. As to a commercial motor vehicle operated in
21 Illinois in the course of interstate traffic by a motor carrier
22 not holding a motor fuel use tax license issued under this Act,
23 a single trip permit authorizing operation of such commercial
24 motor vehicle for a single trip through the State of Illinois,
25 or from a point on the border of this State to a point within
26 and return to the border may be issued by the Department or its
27 agents after proper application. The fee for each single trip
28 permit shall be \$20 and such single trip permit shall be valid
29 for a period of 72 hours. This fee shall be in lieu of the tax
30 required by Section 13a of this Act, all reports required by
31 Section 13a.3 of this Act, and the registration, decal display
32 and furnishing of bond required by Section 13a.4 of this Act.
33 Rules or regulations promulgated by the Department under this
34 Section shall provide for reasonable and proper limitations and
35 restrictions governing application for and issuance and use of,

1 single trip permits, so as to preclude evasion of the license
2 requirement in Section 13a.4.

3 (Source: P.A. 88-194; 88-480; 88-669, eff. 11-29-94; 88-670,
4 eff. 12-2-94; 89-399, eff. 8-20-95.)

5 (35 ILCS 505/13a.6) (from Ch. 120, par. 429a6)

6 Sec. 13a.6. In addition to any other penalties imposed by
7 this Act:

8 (a) If a commercial motor vehicle is found operating in
9 Illinois (i) without displaying decals required by Section
10 13a.4 of this Act, or in lieu thereof only for the period
11 specified on the temporary permit, a valid 30-day International
12 Fuel Tax Agreement temporary permit, (ii) without carrying a
13 motor fuel use tax license as required by Section 13a.4 of this
14 Act, (iii) without carrying a single trip permit, when
15 applicable, as provided in Section 13a.5 of this Act, or (iv)
16 with a revoked motor fuel use tax license, the operator is
17 guilty of a petty offense and must pay a minimum of \$75. For
18 each subsequent occurrence, the operator must pay a minimum of
19 \$150.

20 When a commercial motor vehicle is found operating in
21 Illinois with a revoked motor fuel use tax license, the vehicle
22 shall be placed out of service and not allowed to operate in
23 Illinois until the motor fuel use tax license is reinstated.

24 (b) If a commercial motor vehicle is found to be operating
25 in Illinois without a valid motor fuel use tax license and
26 without properly displaying decals required by Section 13a.4 or
27 without a valid single trip permit when required by Section
28 13a.5 of this Act or a valid 30-day International Fuel Tax
29 Agreement temporary permit, the person required to obtain a
30 license or permit under Section 13a.4 or 13a.5 of this Law must
31 pay a minimum of \$1,000 as a penalty. For each subsequent
32 occurrence, the person must pay a minimum of \$2,000 as a
33 penalty.

34 All penalties received under this Section shall be
35 deposited into the Tax Compliance and Administration Fund.

1 Improper use of the motor fuel use tax license, single trip
2 permit, or decals provided for in this Section may be cause for
3 revocation of the license.

4 For purposes of this Section, "motor fuel use tax license"
5 means (i) a motor fuel use tax license issued by the Department
6 or by any member jurisdiction under the International Fuel Tax
7 Agreement, or (ii) a valid 30-day International Fuel Tax
8 Agreement temporary permit.

9 (Source: P.A. 91-173, eff. 1-1-00; 92-30, eff. 7-1-01.)

10 (35 ILCS 505/15) (from Ch. 120, par. 431)

11 Sec. 15. 1. Any person who knowingly acts as a distributor
12 of motor fuel or supplier of special fuel, or receiver of fuel
13 without having a license so to do, or who knowingly fails or
14 refuses to file a return with the Department as provided in
15 Section 2b, Section 5, or Section 5a of this Act, or who
16 knowingly fails or refuses to make payment to the Department as
17 provided either in Section 2b, Section 6, Section 6a, or
18 Section 7 of this Act, shall be guilty of a Class 3 felony.
19 Each day any person knowingly acts as a distributor of motor
20 fuel, supplier of special fuel, or receiver of fuel without
21 having a license so to do or after such a license has been
22 revoked, constitutes a separate offense.

23 2. Any person who acts as a motor carrier without having a
24 valid motor fuel use tax license, issued by the Department or
25 by a member jurisdiction under the provisions of the
26 International Fuel Tax Agreement, or a valid single trip permit
27 is guilty of a Class A misdemeanor for a first offense and is
28 guilty of a Class 4 felony for each subsequent offense. Any
29 person (i) who fails or refuses to make payment to the
30 Department as provided in Section 13a.1 of this Act or in the
31 International Fuel Tax Agreement referenced in Section 14a, or
32 (ii) who fails or refuses to make the quarterly return as
33 provided in Section 13a.3 is guilty of a Class 4 felony; and
34 for each subsequent offense, such person is guilty of a Class 3
35 felony.

1 3. In case such person acting as a distributor, receiver,
2 supplier, or motor carrier is a corporation, then the officer
3 or officers, agent or agents, employee or employees, of such
4 corporation responsible for any act of such corporation, or
5 failure of such corporation to act, which acts or failure to
6 act constitutes a violation of any of the provisions of this
7 Act as enumerated in paragraphs 1 and 2 of this Section, shall
8 be punished by such fine or imprisonment, or by both such fine
9 and imprisonment as provided in those paragraphs.

10 3.5. Any person who knowingly enters false information on
11 any supporting documentation required to be kept by Section 6
12 or 6a of this Act is guilty of a Class 3 felony.

13 3.7. Any person who knowingly attempts in any manner to
14 evade or defeat any tax imposed by this Act or the payment of
15 any tax imposed by this Act is guilty of a Class 2 felony.

16 4. Any person who refuses, upon demand, to submit for
17 inspection, books and records, or who fails or refuses to keep
18 books and records in violation of Section 12 of this Act, or
19 any distributor, receiver, or supplier who violates any
20 reasonable rule or regulation adopted by the Department for the
21 enforcement of this Act is guilty of a Class A misdemeanor. Any
22 person who acts as a blender in violation of Section 3 of this
23 Act or who having transported reportable motor fuel within
24 Section 7b of this Act fails to make the return required by
25 that Section, is guilty of a Class 4 felony.

26 5. Any person licensed under Section 13a.4, 13a.5, or the
27 International Fuel Tax Agreement who: (a) fails or refuses to
28 keep records and books, as provided in Section 13a.2 or as
29 required by the terms of the International Fuel Tax Agreement,
30 (b) refuses upon demand by the Department to submit for
31 inspection and examination the records required by Section
32 13a.2 of this Act or by the terms of the International Fuel Tax
33 Agreement, or (c) violates any reasonable rule or regulation
34 adopted by the Department for the enforcement of this Act, is
35 guilty of a Class A misdemeanor.

36 6. Any person who makes any false return or report to the

1 Department as to any material fact required by Sections 2b, 5,
2 5a, 7, 13, or 13a.3 of this Act or by the International Fuel
3 Tax Agreement is guilty of a Class 2 felony.

4 7. A prosecution for any violation of this Section may be
5 commenced anytime within 5 years of the commission of that
6 violation. A prosecution for tax evasion as set forth in
7 paragraph 3.7 of this Section may be prosecuted any time within
8 5 years of the commission of the last act in furtherance of
9 evasion. The running of the period of limitations under this
10 Section shall be suspended while any proceeding or appeal from
11 any proceeding relating to the quashing or enforcement of any
12 grand jury or administrative subpoena issued in connection with
13 an investigation of the violation of any provision of this Act
14 is pending.

15 8. Any person who provides false documentation required by
16 any Section of this Act is guilty of a Class 4 felony.

17 9. Any person filing a fraudulent application or order form
18 under any provision of this Act is guilty of a Class A
19 misdemeanor. For each subsequent offense, the person is guilty
20 of a Class 4 felony.

21 10. Any person who acts as a motor carrier and who fails to
22 carry a manifest as provided in Section 5.5 is guilty of a
23 Class A misdemeanor. For each subsequent offense, the person is
24 guilty of a Class 4 felony.

25 11. Any person who knowingly sells or attempts to sell dyed
26 diesel fuel for highway use or for use by recreational-type
27 watercraft on the waters of this State is guilty of a Class 4
28 felony. For each subsequent offense, the person is guilty of a
29 Class 2 felony.

30 12. Any person who knowingly possesses dyed diesel fuel for
31 highway use or for use by recreational-type watercraft on the
32 waters of this State is guilty of a Class A misdemeanor. For
33 each subsequent offense, the person is guilty of a Class 4
34 felony.

35 13. Any person who sells or transports dyed diesel fuel
36 without the notice required by Section 4e shall pay the

1 following penalty:

2 First occurrence \$ 500

3 Second and each occurrence thereafter \$1,000

4 14. Any person who owns, operates, or controls any
5 container, storage tank, or facility used to store or
6 distribute dyed diesel fuel without the notice required by
7 Section 4f shall pay the following penalty:

8 First occurrence \$ 500

9 Second and each occurrence thereafter \$1,000

10 15. If a motor vehicle required to be registered for
11 highway purposes is found to have dyed diesel fuel within the
12 ordinary fuel tanks attached to the motor vehicle or if a
13 recreational-type watercraft on the waters of this State is
14 found to have dyed diesel fuel within the ordinary fuel tanks
15 attached to the watercraft, the operator shall pay the
16 following penalty:

17 First occurrence \$2,500

18 Second and each occurrence thereafter \$5,000

19 16. Any licensed motor fuel distributor or licensed
20 supplier who sells or attempts to sell dyed diesel fuel for
21 highway use or for use by recreational-type watercraft on the
22 waters of this State shall pay the following penalty:

23 First occurrence \$ 5,000

24 Second and each occurrence thereafter \$10,000

25 17. Any person who knowingly sells or distributes dyed
26 diesel fuel without the notice required by Section 4e is guilty
27 of a petty offense. For each subsequent offense, the person is
28 guilty of a Class A misdemeanor.

29 18. Any person who knowingly owns, operates, or controls
30 any container, storage tank, or facility used to store or
31 distribute dyed diesel fuel without the notice required by
32 Section 4f is guilty of a petty offense. For each subsequent
33 offense the person is guilty of a Class A misdemeanor.

34 For purposes of this Section, dyed diesel fuel means any
35 dyed diesel fuel whether or not dyed pursuant to Section 4d of
36 this Law.

1 Any person aggrieved by any action of the Department under
2 item 13, 14, 15, or 16 of this Section may protest the action
3 by making a written request for a hearing within 60 days of the
4 original action. If the hearing is not requested in writing
5 within 60 days, the original action is final.

6 All penalties received under items 13, 14, 15, and 16 of
7 this Section shall be deposited into the Tax Compliance and
8 Administration Fund.

9 (Source: P.A. 91-173, eff. 1-1-00; 92-30, eff. 7-1-01; 92-232,
10 eff. 8-2-01; 92-651, eff. 7-11-02.)

11 (35 ILCS 505/16) (from Ch. 120, par. 432)

12 Sec. 16. The Department may, after 5 days' notice, revoke
13 the distributor's, receiver's, or supplier's license or permit
14 of any person (1) who does not operate as a distributor,
15 receiver, supplier (a) under Sections 1.2, 1.14, or 1.20, (2)
16 who violates any provision of this Act or any rule or
17 regulation promulgated by the Department under Section 14 of
18 this Act, or (3) who refuses to allow any inspection or test
19 authorized by this Law.

20 Any person whose returns for 2 or more consecutive months
21 do not show sufficient taxable sales to indicate an active
22 business as a distributor, receiver, or supplier shall be
23 deemed to not be operating as a distributor, receiver, or
24 supplier as defined in Sections 1.2, 1.14 or 1.20.

25 The Department may, after 5 days notice, revoke any
26 distributor's, receiver's, or supplier's license of a person
27 who is registered as a reseller of motor fuel pursuant to
28 Section 2a or 2c of the Retailers' Occupation Tax Act and who
29 fails to collect such prepaid tax on invoiced gallons of motor
30 fuel sold or who fails to deliver a statement of tax paid to
31 the purchaser or to the Department as required by Sections 2d
32 and 2e of the Retailers' Occupation Tax Act.

33 The Department may, on notice given by registered mail,
34 cancel a Blender's Permit for any violation of any provisions
35 of this Act or for noncompliance with any rule or regulation

1 made by the Department under Section 14 of this Act.

2 The Department, upon complaint filed in the circuit court,
3 may, by injunction, restrain any person who fails or refuses to
4 comply with the provisions of this Act from acting as a blender
5 or distributor of motor fuel, supplier of special fuel, or
6 receiver of fuel in this State.

7 The Department may revoke the motor fuel use tax license of
8 a motor carrier registered under Section 13a.4, or that is
9 required to be registered under the terms of the International
10 Fuel Tax Agreement, that violates any provision of this Act or
11 any rule promulgated by the Department under Sections 14 or 14a
12 of this Act. Motor fuel use tax licenses that have been revoked
13 are subject to a \$100 reinstatement fee.

14 Licensees registered or required to be registered under
15 Section 13a.4, or persons required to obtain single trip
16 permits under Section 13a.5, may protest any action or audit
17 finding made by the Department by making a written request for
18 a hearing within 30 days after service of the notice of the
19 original action or finding. If the hearing is not requested
20 within 30 days in writing, the original finding or action is
21 final. Once a hearing has been properly requested, the
22 Department shall give at least 20 days written notice of the
23 time and place of the hearing.

24 (Source: P.A. 91-173, eff. 1-1-00.)

25 Section 55. The Messages Tax Act is amended by re-enacting
26 Section 11 as follows:

27 (35 ILCS 610/11) (from Ch. 120, par. 467.11)

28 Sec. 11. All information received by the Department from
29 returns filed under this Act, or from any investigations
30 conducted under this Act, shall be confidential, except for
31 official purposes, and any person who divulges any such
32 information in any manner, except in accordance with a proper
33 judicial order or as otherwise provided by law, shall be guilty
34 of a Class B misdemeanor.

1 Provided, that nothing contained in this Act shall prevent
2 the Director from publishing or making available to the public
3 the names and addresses of taxpayers filing returns under this
4 Act, or from publishing or making available reasonable
5 statistics concerning the operation of the tax wherein the
6 contents of returns are grouped into aggregates in such a way
7 that the information contained in any individual return shall
8 not be disclosed.

9 And provided, that nothing contained in this Act shall
10 prevent the Director from making available to the United States
11 Government or any officer or agency thereof, for exclusively
12 official purposes, information received by the Department in
13 the administration of this Act.

14 The furnishing upon request of the Auditor General, or his
15 authorized agents, for official use, of returns filed and
16 information related thereto under this Act is deemed to be an
17 official purpose within the meaning of this Section.

18 The Director may make available to any State agency,
19 including the Illinois Supreme Court, which licenses persons to
20 engage in any occupation, information that a person licensed by
21 such agency has failed to file returns under this Act or pay
22 the tax, penalty and interest shown therein, or has failed to
23 pay any final assessment of tax, penalty or interest due under
24 this Act. An assessment is final when all proceedings in court
25 for review of such assessment have terminated or the time for
26 the taking thereof has expired without such proceedings being
27 instituted.

28 The Director shall make available for public inspection in
29 the Department's principal office and for publication, at cost,
30 administrative decisions issued on or after January 1, 1995.
31 These decisions are to be made available in a manner so that
32 the following taxpayer information is not disclosed:

33 (1) The names, addresses, and identification numbers
34 of the taxpayer, related entities, and employees.

35 (2) At the sole discretion of the Director, trade
36 secrets or other confidential information identified as

1 such by the taxpayer, no later than 30 days after receipt
2 of an administrative decision, by such means as the
3 Department shall provide by rule.

4 The Director shall determine the appropriate extent of the
5 deletions allowed in paragraph (2). In the event the taxpayer
6 does not submit deletions, the Director shall make only the
7 deletions specified in paragraph (1).

8 The Director shall make available for public inspection and
9 publication an administrative decision within 180 days after
10 the issuance of the administrative decision. The term
11 "administrative decision" has the same meaning as defined in
12 Section 3-101 of Article III of the Code of Civil Procedure.
13 Costs collected under this Section shall be paid into the Tax
14 Compliance and Administration Fund.

15 Nothing contained in this Act shall prevent the Director
16 from divulging information to any person pursuant to a request
17 or authorization made by the taxpayer or by an authorized
18 representative of the taxpayer.

19 (Source: P.A. 90-491, eff. 1-1-98.)

20 Section 60. The Gas Revenue Tax Act is amended by
21 re-enacting Section 11 as follows:

22 (35 ILCS 615/11) (from Ch. 120, par. 467.26)

23 Sec. 11. All information received by the Department from
24 returns filed under this Act, or from any investigations
25 conducted under this Act, shall be confidential, except for
26 official purposes, and any person who divulges any such
27 information in any manner, except in accordance with a proper
28 judicial order or as otherwise provided by law, shall be guilty
29 of a Class B misdemeanor.

30 Provided, that nothing contained in this Act shall prevent
31 the Director from publishing or making available to the public
32 the names and addresses of taxpayers filing returns under this
33 Act, or from publishing or making available reasonable
34 statistics concerning the operation of the tax wherein the

1 contents of returns are grouped into aggregates in such a way
2 that the information contained in any individual return shall
3 not be disclosed.

4 And provided, that nothing contained in this Act shall
5 prevent the Director from making available to the United States
6 Government or any officer or agency thereof, for exclusively
7 official purposes, information received by the Department in
8 the administration of this Act.

9 The furnishing upon request of the Auditor General, or his
10 authorized agents, for official use, of returns filed and
11 information related thereto under this Act is deemed to be an
12 official purpose within the meaning of this Section.

13 The Director may make available to any State agency,
14 including the Illinois Supreme Court, which licenses persons to
15 engage in any occupation, information that a person licensed by
16 such agency has failed to file returns under this Act or pay
17 the tax, penalty and interest shown therein, or has failed to
18 pay any final assessment of tax, penalty or interest due under
19 this Act. An assessment is final when all proceedings in court
20 for review of such assessment have terminated or the time for
21 the taking thereof has expired without such proceedings being
22 instituted.

23 The Director shall make available for public inspection in
24 the Department's principal office and for publication, at cost,
25 administrative decisions issued on or after January 1, 1995.
26 These decisions are to be made available in a manner so that
27 the following taxpayer information is not disclosed:

28 (1) The names, addresses, and identification numbers
29 of the taxpayer, related entities, and employees.

30 (2) At the sole discretion of the Director, trade
31 secrets or other confidential information identified as
32 such by the taxpayer, no later than 30 days after receipt
33 of an administrative decision, by such means as the
34 Department shall provide by rule.

35 The Director shall determine the appropriate extent of the
36 deletions allowed in paragraph (2). In the event the taxpayer

1 does not submit deletions, the Director shall make only the
2 deletions specified in paragraph (1).

3 The Director shall make available for public inspection and
4 publication an administrative decision within 180 days after
5 the issuance of the administrative decision. The term
6 "administrative decision" has the same meaning as defined in
7 Section 3-101 of Article III of the Code of Civil Procedure.
8 Costs collected under this Section shall be paid into the Tax
9 Compliance and Administration Fund.

10 Nothing contained in this Act shall prevent the Director
11 from divulging information to any person pursuant to a request
12 or authorization made by the taxpayer or by an authorized
13 representative of the taxpayer.

14 (Source: P.A. 90-491, eff. 1-1-98.)

15 Section 65. The Public Utilities Revenue Act is amended by
16 re-enacting Section 11 as follows:

17 (35 ILCS 620/11) (from Ch. 120, par. 478)

18 Sec. 11. All information received by the Department from
19 returns filed under this Act, or from any investigations
20 conducted under this Act, shall be confidential, except for
21 official purposes, and any person who divulges any such
22 information in any manner, except in accordance with a proper
23 judicial order or as otherwise provided by law, shall be guilty
24 of a Class B misdemeanor.

25 Provided, that nothing contained in this Act shall prevent
26 the Director from publishing or making available to the public
27 the names and addresses of taxpayers filing returns under this
28 Act, or from publishing or making available reasonable
29 statistics concerning the operation of the tax wherein the
30 contents of returns are grouped into aggregates in such a way
31 that the information contained in any individual return shall
32 not be disclosed.

33 And provided, that nothing contained in this Act shall
34 prevent the Director from making available to the United States

1 Government or any officer or agency thereof, for exclusively
2 official purposes, information received by the Department in
3 the administration of this Act.

4 The furnishing upon request of the Auditor General, or his
5 authorized agents, for official use, of returns filed and
6 information related thereto under this Act is deemed to be an
7 official purpose within the meaning of this Section.

8 The Director may make available to any State agency,
9 including the Illinois Supreme Court, which licenses persons to
10 engage in any occupation, information that a person licensed by
11 such agency has failed to file returns under this Act or pay
12 the tax, penalty and interest shown therein, or has failed to
13 pay any final assessment of tax, penalty or interest due under
14 this Act. An assessment is final when all proceedings in court
15 for review of such assessment have terminated or the time for
16 the taking thereof has expired without such proceedings being
17 instituted.

18 The Director shall make available for public inspection in
19 the Department's principal office and for publication, at cost,
20 administrative decisions issued on or after January 1, 1995.
21 These decisions are to be made available in a manner so that
22 the following taxpayer information is not disclosed:

23 (1) The names, addresses, and identification numbers
24 of the taxpayer, related entities, and employees.

25 (2) At the sole discretion of the Director, trade
26 secrets or other confidential information identified as
27 such by the taxpayer, no later than 30 days after receipt
28 of an administrative decision, by such means as the
29 Department shall provide by rule.

30 The Director shall determine the appropriate extent of the
31 deletions allowed in paragraph (2). In the event the taxpayer
32 does not submit deletions, the Director shall make only the
33 deletions specified in paragraph (1).

34 The Director shall make available for public inspection and
35 publication an administrative decision within 180 days after
36 the issuance of the administrative decision. The term

1 "administrative decision" has the same meaning as defined in
2 Section 3-101 of Article III of the Code of Civil Procedure.
3 Costs collected under this Section shall be paid into the Tax
4 Compliance and Administration Fund.

5 Nothing contained in this Act shall prevent the Director
6 from divulging information to any person pursuant to a request
7 or authorization made by the taxpayer or by an authorized
8 representative of the taxpayer.

9 (Source: P.A. 90-491, eff. 1-1-98.)

10 Section 70. The Telecommunications Excise Tax Act is
11 amended by re-enacting Section 15 as follows:

12 (35 ILCS 630/15) (from Ch. 120, par. 2015)

13 Sec. 15. Confidential information. All information
14 received by the Department from returns filed under this
15 Article, or from any investigations conducted under this
16 Article, shall be confidential, except for official purposes,
17 and any person who divulges any such information in any manner,
18 except in accordance with a proper judicial order or as
19 otherwise provided by law, shall be guilty of a Class B
20 misdemeanor.

21 Provided, that nothing contained in this Article shall
22 prevent the Director from publishing or making available to the
23 public the names and addresses of retailers or taxpayers filing
24 returns under this Article, or from publishing or making
25 available reasonable statistics concerning the operation of
26 the tax wherein the contents of returns are grouped into
27 aggregates in such a way that the information contained in any
28 individual return shall not be disclosed.

29 And provided, that nothing contained in this Article shall
30 prevent the Director from making available to the United States
31 Government or the government of any other state, or any officer
32 or agency thereof, for exclusively official purposes,
33 information received by the Department in the administration of
34 this Article, if such other governmental agency agrees to

1 divulge requested tax information to the Department.

2 The furnishing upon request of the Auditor General, or his
3 authorized agents, for official use, of returns filed and
4 information related thereto under this Article is deemed to be
5 an official purpose within the meaning of this Section.

6 The furnishing of financial information to a municipality
7 that has imposed a tax under the Simplified Municipal
8 Telecommunications Tax Act, upon request of the chief executive
9 thereof, is an official purpose within the meaning of this
10 Section, provided that the municipality agrees in writing to
11 the requirements of this Section. Information so provided shall
12 be subject to all confidentiality provisions of this Section.
13 The written agreement shall provide for reciprocity,
14 limitations on access, disclosure, and procedures for
15 requesting information.

16 The Director shall make available for public inspection in
17 the Department's principal office and for publication, at cost,
18 administrative decisions issued on or after January 1, 1995.
19 These decisions are to be made available in a manner so that
20 the following taxpayer information is not disclosed:

21 (1) The names, addresses, and identification numbers
22 of the taxpayer, related entities, and employees.

23 (2) At the sole discretion of the Director, trade
24 secrets or other confidential information identified as
25 such by the taxpayer, no later than 30 days after receipt
26 of an administrative decision, by such means as the
27 Department shall provide by rule.

28 The Director shall determine the appropriate extent of the
29 deletions allowed in paragraph (2). In the event the taxpayer
30 does not submit deletions, the Director shall make only the
31 deletions specified in paragraph (1).

32 The Director shall make available for public inspection and
33 publication an administrative decision within 180 days after
34 the issuance of the administrative decision. The term
35 "administrative decision" has the same meaning as defined in
36 Section 3-101 of Article III of the Code of Civil Procedure.

1 Costs collected under this Section shall be paid into the Tax
2 Compliance and Administration Fund.

3 Nothing contained in this Act shall prevent the Director
4 from divulging information to any person pursuant to a request
5 or authorization made by the taxpayer or by an authorized
6 representative of the taxpayer.

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

8 Section 80. The Liquor Control Act of 1934 is amended by
9 re-enacting Section 8-9 as follows:

10 (235 ILCS 5/8-9) (from Ch. 43, par. 163e)

11 Sec. 8-9. Tax information; confidentiality. All
12 information received by the Department from returns filed under
13 this Act, or from any investigation conducted under this Act,
14 shall be confidential, except for official purposes, and any
15 person who divulges any such information in any manner, except
16 in accordance with a proper judicial order or as otherwise
17 provided by law, shall be guilty of a Class B misdemeanor.

18 Nothing in this Act prevents the Director of Revenue from
19 publishing or making available to the public the names and
20 addresses of persons filing returns under this Act, or
21 reasonable statistics concerning the operation of the tax by
22 grouping the contents of returns so that the information in any
23 individual return is not disclosed.

24 Nothing in this Act prevents the Director of Revenue from
25 divulging to the United States Government or the government of
26 any other state, or any officer or agency thereof, for
27 exclusively official purposes, information received by the
28 Department in administering this Act, provided that such other
29 governmental agency agrees to divulge requested tax
30 information to the Department.

31 The furnishing upon request of information obtained by the
32 Department from returns filed under this Act or investigations
33 conducted under this Act to the Illinois Liquor Control
34 Commission for official use is deemed to be an official purpose

1 within the meaning of this Section.

2 The furnishing upon request of the Auditor General, or his
3 authorized agents, for official use, of returns filed and
4 information related thereto under this Act is deemed to be an
5 official purpose within the meaning of this Section.

6 The furnishing of financial information to a home rule unit
7 with a population in excess of 2,000,000 that has imposed a tax
8 similar to that imposed by this Act under its home rule powers,
9 upon request of the Chief Executive of the home rule unit, is
10 an official purpose within the meaning of this Section,
11 provided the home rule unit agrees in writing to the
12 requirements of this Section. Information so provided is
13 subject to all confidentiality provisions of this Section. The
14 written agreement shall provide for reciprocity, limitations
15 on access, disclosure, and procedures for requesting
16 information.

17 Nothing contained in this Act shall prevent the Director
18 from divulging information to any person pursuant to a request
19 or authorization made by the taxpayer or by an authorized
20 representative of the taxpayer.

21 (Source: P.A. 90-491, eff. 1-1-98.)

22 Section 85. The Illinois Vehicle Code is amended by
23 re-enacting Sections 11-1419.01, 11-1419.02, and 11-1419.03 as
24 follows:

25 (625 ILCS 5/11-1419.01) (from Ch. 95 1/2, par. 11-1419.01)

26 Sec. 11-1419.01. Operating without a valid single trip
27 permit. If a single trip permit is required by Section 13a.5 of
28 the Motor Fuel Tax Law, a motor carrier shall not operate in
29 Illinois without a single trip permit issued by the Department
30 of Revenue or its agents.

31 If a commercial motor vehicle is found operating in
32 Illinois without displaying a required valid single trip
33 permit, the operator is guilty of a petty offense as provided
34 in Section 13a.6 of the Motor Fuel Tax Law.

1 (Source: P.A. 88-669, eff. 11-29-94; 89-399, eff. 8-20-95.)

2 (625 ILCS 5/11-1419.02) (from Ch. 95 1/2, par. 11-1419.02)

3 Sec. 11-1419.02. Failure to display a valid motor fuel use
4 tax license.

5 (a) If required by Section 13a.4 of the Motor Fuel Tax Law,
6 every valid motor fuel use tax license, or an authorized
7 reproduction, shall at all times be carried in the cab of the
8 vehicle. The operator shall display the license or reproduction
9 upon demand of a police officer or agent of the Department of
10 Revenue. An operator who fails to display a valid motor fuel
11 use tax license is guilty of a petty offense as provided in
12 Section 13a.6 of the Motor Fuel Tax Law.

13 (b) As used in this Section:

14 "Display" means the manual surrender of the motor fuel use
15 tax license into the hands of the demanding officer or agent
16 for inspection.

17 "Motor fuel use tax license" means a motor fuel use tax
18 license issued by the Department of Revenue or by any member
19 jurisdiction under the International Fuel Tax Agreement, or a
20 valid 30 day International Fuel Tax Agreement temporary permit.

21 (Source: P.A. 88-669, eff. 11-29-94; 89-399, eff. 8-20-95.)

22 (625 ILCS 5/11-1419.03)

23 Sec. 11-1419.03. Failure to Display Valid External Motor
24 Fuel Use Tax Decals.

25 (a) Except as provided in the Motor Fuel Tax Law, a motor
26 carrier shall not operate or cause to be operated a commercial
27 motor vehicle upon the highways of this State unless there is
28 properly affixed to that commercial vehicle 2 valid external
29 motor use tax decals required by Section 13a.4 of the Motor
30 Fuel Tax Law. An operator who operates a commercial motor
31 vehicle without 2 properly displayed valid external motor fuel
32 use tax decals is guilty of a petty offense as provided in
33 Section 13a.6 of the Motor Fuel Tax Law. A valid 30-day
34 International Fuel Tax Agreement temporary permit may be

1 displayed instead of decals during the temporary period
2 specified on the permit.

3 (b) As used in this Section:

4 "Properly displayed" means 2 motor fuel use tax decals, one
5 placed on each side of the exterior of the cab. In the case of
6 transporters, manufacturers, dealers, or driveaway operations,
7 the decals need not be permanently affixed but may be
8 temporarily displayed in a visible manner on the exterior sides
9 of the cab.

10 "Commercial motor vehicle" means a motor vehicle used,
11 designed, or maintained for the transportation of people or
12 property and either having 2 axles and a gross vehicle weight
13 or registered gross vehicle weight exceeding 26,000 pounds or
14 11,793 kilograms, or having 3 or more axles regardless of
15 weight, or that is used in combination, when the weight of the
16 combination exceeds 26,000 pounds or 11,793 kilograms gross
17 vehicle weight or registered gross vehicle weight except for
18 motor vehicles operated by this State or the United States,
19 recreational vehicles, school buses, and commercial motor
20 vehicles operated solely within this State for which all motor
21 fuel is purchased within this State.

22 "Motor carrier" means any person who operates or causes to
23 be operated any commercial motor vehicle on any highway within
24 this State.

25 (Source: P.A. 88-669, eff. 11-29-94; 89-399, eff. 8-20-95.)

26 Section 90. The State Mandates Act is amended by adding
27 Section 8.30 as follows:

28 (30 ILCS 805/8.30 new)

29 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
30 of this Act, no reimbursement by the State is required for the
31 implementation of any mandate created by this amendatory Act of
32 the 94th General Assembly.

33 Section 99. Effective date. This Act takes effect upon

1 becoming law.

1 INDEX
2 Statutes amended in order of appearance

3	35 ILCS 5/203	from Ch. 120, par. 2-203
4	35 ILCS 5/502	from Ch. 120, par. 5-502
5	35 ILCS 5/506.5	
6	35 ILCS 5/917	from Ch. 120, par. 9-917
7	35 ILCS 5/1301	from Ch. 120, par. 13-1301
8	35 ILCS 105/2	from Ch. 120, par. 439.2
9	35 ILCS 105/9	from Ch. 120, par. 439.9
10	35 ILCS 110/9	from Ch. 120, par. 439.39
11	35 ILCS 115/9	from Ch. 120, par. 439.109
12	35 ILCS 120/3	from Ch. 120, par. 442
13	35 ILCS 120/11	from Ch. 120, par. 450
14	35 ILCS 130/10b	from Ch. 120, par. 453.10b
15	35 ILCS 135/20	from Ch. 120, par. 453.50
16	35 ILCS 250/20	
17	35 ILCS 505/1.16	from Ch. 120, par. 417.16
18	35 ILCS 505/13a.3	from Ch. 120, par. 429a3
19	35 ILCS 505/13a.4	from Ch. 120, par. 429a4
20	35 ILCS 505/13a.5	from Ch. 120, par. 429a5
21	35 ILCS 505/13a.6	from Ch. 120, par. 429a6
22	35 ILCS 505/15	from Ch. 120, par. 431
23	35 ILCS 505/16	from Ch. 120, par. 432
24	35 ILCS 610/11	from Ch. 120, par. 467.11
25	35 ILCS 615/11	from Ch. 120, par. 467.26
26	35 ILCS 620/11	from Ch. 120, par. 478
27	35 ILCS 630/15	from Ch. 120, par. 2015
28	70 ILCS 805/18.6d	
29	235 ILCS 5/8-9	from Ch. 43, par. 163e
30	625 ILCS 5/11-1419.01	from Ch. 95 1/2, par. 11-1419.01
31	625 ILCS 5/11-1419.02	from Ch. 95 1/2, par. 11-1419.02
32	625 ILCS 5/11-1419.03	
33	30 ILCS 805/8.30 new	