



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5931

by Rep. Elizabeth Coulson - Rosemary Mulligan - Sidney H. Mathias - Ruth Munson - Ronald A. Wait

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-13 new
35 ILCS 120/2-13 new

Amends the Use Tax Act and the Retailers' Occupation Tax Act. Provides that no tax is imposed under the Acts upon the use or purchase of energy-efficient products that qualify as an "Energy Star" products under the federal Energy Star Program and that are purchased at a price of \$1,500 or less during a tax holiday. Defines "tax-holiday" as the periods each year: (1) beginning at 12:01 a.m. on November 1st and continuing through 11:59 p.m. on November 7th; and (2) beginning at 12:01 a.m. on April 22nd and continuing through 11:59 p.m. on April 28th. Sets forth criteria for transactions to qualify for the exemption. Effective immediately.

LRB095 16918 BDD 42963 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Use Tax Act is amended by adding Section
5 3-13 as follows:

6 (35 ILCS 105/3-13 new)

7 Sec. 3-13. Tax holiday for energy-efficient products.

8 (a) No tax is imposed under this Act upon the privilege of
9 using, in this State, any energy-efficient product that is
10 purchased at retail at a sales price of \$1,500 or less if the
11 product is purchased during a holiday period.

12 (b) For the purpose of this Section:

13 "Holiday period" means the periods each year:

14 (1) beginning at 12:01 a.m. on November 1st and
15 continuing through 11:59 p.m. on November 7th; and

16 (2) beginning at 12:01 a.m. on April 22nd and
17 continuing through 11:59 p.m. on April 28th.

18 "Energy-efficient product" means a dishwasher, clothes
19 washer, air conditioner, ceiling fan, incandescent or
20 fluorescent light bulb, dehumidifier, programmable thermostat,
21 or refrigerator that qualifies as an "Energy Star" product
22 under the Energy Star Program administered by the United States
23 Environmental Protection Agency.

1 (c) For purpose of this Section, a "purchase" occurs during
2 the tax holiday if the buyer places an order and pays the
3 purchase price by cash or credit during the tax holiday period
4 regardless of whether the delivery of the product occurs after
5 the tax holiday period.

6 An energy-efficient product that is placed in a layaway or
7 similar deferred plan during the holiday period is not eligible
8 for the exemption unless the product is delivered to the
9 purchaser during the period. An energy-efficient product that
10 was placed in a layaway or similar deferred plan before the
11 holiday period and is then delivered to the purchaser during
12 the holiday period is eligible for the exemption.

13 (d) Any discount, coupon, or other credit offered either by
14 the retailer or by a vendor of the retailer to reduce the final
15 price to the customer must be taken into account in determining
16 the selling price of the product for the purposes of this
17 holiday. If the price of a product is free or reduced with the
18 purchase of another energy-efficient product, then the total
19 price of the products may not be averaged in order for both
20 products to qualify for the holiday.

21 The amount of any rebate may not be considered when
22 determining the selling price of an energy-efficient product
23 for the purposes of this holiday.

24 (e) Articles that are normally sold as a unit must continue
25 to be sold in that manner; they may not be priced separately
26 and sold as individual items in order to be subject to the

1 holiday. Components that are normally priced as separate
2 articles, however, may continue to be sold as separate
3 articles.

4 (f) An energy-efficient product that a customer purchases
5 during the holiday period with the use of a rain check
6 qualifies for the holiday regardless of when the rain check was
7 issued. The issuance of a rain check, however, during the
8 holiday period does not qualify merchandise for the exemption
9 if the product is actually purchased after the holiday period.

10 (g) If a customer purchases an energy-efficient product
11 during the holiday period but later exchanges the product for a
12 substantially similar product of a different size, different
13 color, or other feature, then no additional tax is due even if
14 the exchange is made after the holiday period.

15 If a customer purchases an energy-efficient product during
16 the holiday period, but after the holiday period has ended, the
17 customer returns the product and receives credit on the
18 purchase of a different product, then the newly purchased
19 product is subject to the full tax rate.

20 If a customer purchases an energy-efficient product before
21 the holiday period, but, during the holiday period, the
22 customer returns the product and receives credit on the
23 purchase of a different energy-efficient product, then the
24 newly purchased product is subject to the exemption.

25 (h) Each unit of local government that imposes a use tax
26 may, by resolution or ordinance, declare a tax holiday with

1 respect to its use tax for the same items, during the same
2 periods, and under the same conditions and is encouraged to do
3 so.

4 Section 10. The Retailers' Occupation Tax Act is amended by
5 adding Section 2-13 as follows:

6 (35 ILCS 120/2-13 new)

7 Sec. 2-13. Tax holiday for energy-efficient products.

8 (a) No tax is imposed under this Act upon persons engaged
9 in the business of selling, at retail, any energy-efficient
10 product if the product is purchased at a sales price of \$1,500
11 or less during a tax-holiday period.

12 (b) For the purpose of this Section:

13 "Tax-holiday period" means the periods each year:

14 (1) beginning at 12:01 a.m. on November 1st and
15 continuing through 11:59 p.m. on November 7th; and

16 (2) beginning at 12:01 a.m. on April 22nd and
17 continuing through 11:59 p.m. on April 28th.

18 "Energy-efficient product" means a dishwasher, clothes
19 washer, air conditioner, ceiling fan, incandescent or
20 fluorescent light bulb, dehumidifier, programmable thermostat,
21 or refrigerator that qualifies as an "Energy Star" product
22 under the Energy Star Program administered by the United States
23 Environmental Protection Agency.

24 (c) For purpose of this Section, a "purchase" occurs during

1 the tax holiday if the buyer places an order and pays the
2 purchase price by cash or credit during the tax holiday period
3 regardless of whether the delivery of the product occurs after
4 the tax holiday period.

5 An energy-efficient product that is placed in a layaway or
6 similar deferred plan during the holiday period is not eligible
7 for the exemption unless the product is delivered to the
8 purchaser during the period. An energy-efficient product that
9 was placed in a layaway or similar deferred plan before the
10 holiday period and is then delivered to the purchaser during
11 the holiday period is eligible for the exemption.

12 (d) Any discount, coupon, or other credit offered either by
13 the retailer or by a vendor of the retailer to reduce the final
14 price to the customer must be taken into account in determining
15 the selling price of the product for the purposes of this
16 holiday. If the price of a product is free or reduced with the
17 purchase of another energy-efficient product, then the total
18 price of the products may not be averaged in order for both
19 products to qualify for the holiday.

20 The amount of any rebate may not be considered when
21 determining the selling price of an energy-efficient product
22 for the purposes of this holiday.

23 (e) Articles that are normally sold as a unit must continue
24 to be sold in that manner; they may not be priced separately
25 and sold as individual items in order to be subject to the
26 holiday. Components that are normally priced as separate

1 articles, however, may continue to be sold as separate
2 articles.

3 (f) An energy-efficient product that a customer purchases
4 during the holiday period with the use of a rain check
5 qualifies for the holiday regardless of when the rain check was
6 issued. The issuance of a rain check, however, during the
7 holiday period does not qualify merchandise for the exemption
8 if the product is actually purchased after the holiday period.

9 (g) If a customer purchases an energy-efficient product
10 during the holiday period but later exchanges the product for a
11 substantially similar product of a different size, different
12 color, or other feature, then no additional tax is due even if
13 the exchange is made after the holiday period.

14 If a customer purchases an energy-efficient product during
15 the holiday period, but after the holiday period has ended, the
16 customer returns the product and receives credit on the
17 purchase of a different product, then the newly purchased
18 product is subject to the full tax rate.

19 If a customer purchases an energy-efficient product before
20 the holiday period, but, during the holiday period, the
21 customer returns the product and receives credit on the
22 purchase of a different energy-efficient product, then the
23 newly purchased product is subject to the exemption.

24 (h) Each unit of local government that imposes a retailers'
25 occupation tax may, by resolution or ordinance, declare a tax
26 holiday with respect to its occupation tax for the same items,

1 during the same periods, and under the same conditions and is
2 encouraged to do so.

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