



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

**SB2445**

Introduced 2/15/2008, by Sen. Deanna Demuzio

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Service Occupation Tax Act and the Retailers' Occupation Tax Act. Requires that 28% of the tax proceeds under those Acts realized from the sale or transfer of coal be deposited to the Local Government Tax Fund, and provides that no amounts realized from the sale or transfer of coal be deposited into the County and Mass Transit District Fund. Amends the State Finance Act concerning the administration of the Local Government Tax Fund. Requires the Department of Revenue to certify the amount to be disbursed to a municipality or county that is realized from the 6.25% general rate on the selling price of coal. Limits the municipality's or county's use of that certified amount to certain economic-development purposes. Effective immediately.

LRB095 19491 BDD 45787 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 State Finance Act is amended by changing  
5 Section 6z-18 as follows:

6 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

7 Sec. 6z-18. A portion of the money paid into the Local  
8 Government Tax Fund from sales of food for human consumption  
9 which is to be consumed off the premises where it is sold  
10 (other than alcoholic beverages, soft drinks and food which has  
11 been prepared for immediate consumption) and prescription and  
12 nonprescription medicines, drugs, medical appliances and  
13 insulin, urine testing materials, syringes and needles used by  
14 diabetics, which occurred in municipalities, shall be  
15 distributed to each municipality based upon the sales which  
16 occurred in that municipality. The remainder shall be  
17 distributed to each county based upon the sales which occurred  
18 in the unincorporated area of that county.

19 A portion of the money paid into the Local Government Tax  
20 Fund from the 6.25% general use tax rate on the selling price  
21 of tangible personal property which is purchased outside  
22 Illinois at retail from a retailer and which is titled or  
23 registered by any agency of this State's government shall be

1 distributed to municipalities as provided in this paragraph.  
2 Each municipality shall receive the amount attributable to  
3 sales for which Illinois addresses for titling or registration  
4 purposes are given as being in such municipality. The remainder  
5 of the money paid into the Local Government Tax Fund from such  
6 sales shall be distributed to counties. Each county shall  
7 receive the amount attributable to sales for which Illinois  
8 addresses for titling or registration purposes are given as  
9 being located in the unincorporated area of such county.

10 A portion of the money paid into the Local Government Tax  
11 Fund from the 6.25% general rate (and, beginning July 1, 2000  
12 and through December 31, 2000, the 1.25% rate on motor fuel and  
13 gasohol) on sales subject to taxation under the Retailers'  
14 Occupation Tax Act and the Service Occupation Tax Act, which  
15 occurred in municipalities, shall be distributed to each  
16 municipality, based upon the sales which occurred in that  
17 municipality. The remainder shall be distributed to each  
18 county, based upon the sales which occurred in the  
19 unincorporated area of such county.

20 For the purpose of determining allocation to the local  
21 government unit, a retail sale by a producer of coal or other  
22 mineral mined in Illinois is a sale at retail at the place  
23 where the coal or other mineral mined in Illinois is extracted  
24 from the earth. This paragraph does not apply to coal or other  
25 mineral when it is delivered or shipped by the seller to the  
26 purchaser at a point outside Illinois so that the sale is

1 exempt under the United States Constitution as a sale in  
2 interstate or foreign commerce.

3 Whenever the Department determines that a refund of money  
4 paid into the Local Government Tax Fund should be made to a  
5 claimant instead of issuing a credit memorandum, the Department  
6 shall notify the State Comptroller, who shall cause the order  
7 to be drawn for the amount specified, and to the person named,  
8 in such notification from the Department. Such refund shall be  
9 paid by the State Treasurer out of the Local Government Tax  
10 Fund.

11 On or before the 25th day of each calendar month, the  
12 Department shall prepare and certify to the Comptroller the  
13 disbursement of stated sums of money to named municipalities  
14 and counties, the municipalities and counties to be those  
15 entitled to distribution of taxes or penalties paid to the  
16 Department during the second preceding calendar month. The  
17 amount to be paid to each municipality or county shall be the  
18 amount (not including credit memoranda) collected during the  
19 second preceding calendar month by the Department and paid into  
20 the Local Government Tax Fund, plus an amount the Department  
21 determines is necessary to offset any amounts which were  
22 erroneously paid to a different taxing body, and not including  
23 an amount equal to the amount of refunds made during the second  
24 preceding calendar month by the Department, and not including  
25 any amount which the Department determines is necessary to  
26 offset any amounts which are payable to a different taxing body

1 but were erroneously paid to the municipality or county. Within  
2 10 days after receipt, by the Comptroller, of the disbursement  
3 certification to the municipalities and counties, provided for  
4 in this Section to be given to the Comptroller by the  
5 Department, the Comptroller shall cause the orders to be drawn  
6 for the respective amounts in accordance with the directions  
7 contained in such certification.

8 When certifying the amount of monthly disbursement to a  
9 municipality or county under this Section, the Department shall  
10 increase or decrease that amount by an amount necessary to  
11 offset any misallocation of previous disbursements. The offset  
12 amount shall be the amount erroneously disbursed within the 6  
13 months preceding the time a misallocation is discovered.

14 When certifying the amount of monthly disbursement to a  
15 municipality or county under this Section, the Department shall  
16 certify the amount to be disbursed to that municipality or  
17 county that is realized for the preceding month from the 6.25%  
18 general rate on the selling price of coal. The county or  
19 municipality may use that certified amount only for the  
20 following purposes:

21 (1) operational support for multiple  
22 county-regional-development partnerships;

23 (2) business development, business site selection and  
24 development, public infrastructure development, tourism,  
25 regional development efforts, technical support, and  
26 professional services;

1           (3) technical assistance on business development and  
2           financing issues relating to assisting small business in  
3           retaining current levels of employment and expanding  
4           levels of employment;

5           (4) incentive packages to attract out-of-state  
6           businesses to relocate in Illinois;

7           (5) all costs associated with the development of  
8           business parks;

9           (6) infrastructure expansion related directly to the  
10          creation or retention of jobs;

11          (7) workforce development and workforce training and  
12          retraining;

13          (8) the research, development, and delivery of  
14          alternate energy, biofuels, and ethanol; and

15          (9) reclamation activities and sight redevelopment  
16          activities of mining operations that have shut down.

17          The provisions directing the distributions from the  
18          special fund in the State Treasury provided for in this Section  
19          shall constitute an irrevocable and continuing appropriation  
20          of all amounts as provided herein. The State Treasurer and  
21          State Comptroller are hereby authorized to make distributions  
22          as provided in this Section.

23          In construing any development, redevelopment, annexation,  
24          preannexation or other lawful agreement in effect prior to  
25          September 1, 1990, which describes or refers to receipts from a  
26          county or municipal retailers' occupation tax, use tax or

1 service occupation tax which now cannot be imposed, such  
2 description or reference shall be deemed to include the  
3 replacement revenue for such abolished taxes, distributed from  
4 the Local Government Tax Fund.

5 (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99; 91-872,  
6 eff. 7-1-00.)

7 Section 10. The Service Occupation Tax Act is amended by  
8 changing Section 9 as follows:

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

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

20 Where such tangible personal property is sold under a  
21 conditional sales contract, or under any other form of sale  
22 wherein the payment of the principal sum, or a part thereof, is  
23 extended beyond the close of the period for which the return is  
24 filed, the serviceman, in collecting the tax may collect, for

1 each tax return period, only the tax applicable to the part of  
2 the selling price actually received during such tax return  
3 period.

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

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

- 18 1. The name of the seller;
- 19 2. The address of the principal place of business from  
20 which he engages in business as a serviceman in this State;
- 21 3. The total amount of taxable receipts received by him  
22 during the preceding calendar month, including receipts  
23 from charge and time sales, but less all deductions allowed  
24 by law;
- 25 4. The amount of credit provided in Section 2d of this  
26 Act;



- 1           5. The amount of tax due;
- 2           5-5. The signature of the taxpayer; and
- 3           6. Such other reasonable information as the Department
- 4           may require.

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

9           Prior to October 1, 2003, and on and after September 1,  
10          2004 a serviceman may accept a Manufacturer's Purchase Credit  
11          certification from a purchaser in satisfaction of Service Use  
12          Tax as provided in Section 3-70 of the Service Use Tax Act if  
13          the purchaser provides the appropriate documentation as  
14          required by Section 3-70 of the Service Use Tax Act. A  
15          Manufacturer's Purchase Credit certification, accepted prior  
16          to October 1, 2003 or on or after September 1, 2004 by a  
17          serviceman as provided in Section 3-70 of the Service Use Tax  
18          Act, may be used by that serviceman to satisfy Service  
19          Occupation Tax liability in the amount claimed in the  
20          certification, not to exceed 6.25% of the receipts subject to  
21          tax from a qualifying purchase. A Manufacturer's Purchase  
22          Credit reported on any original or amended return filed under  
23          this Act after October 20, 2003 for reporting periods prior to  
24          September 1, 2004 shall be disallowed. Manufacturer's Purchase  
25          Credit reported on annual returns due on or after January 1,  
26          2005 will be disallowed for periods prior to September 1, 2004.

1 No Manufacturer's Purchase Credit may be used after September  
2 30, 2003 through August 31, 2004 to satisfy any tax liability  
3 imposed under this Act, including any audit liability.

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

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

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

21 Notwithstanding any other provision in this Act concerning  
22 the time within which a serviceman may file his return, in the  
23 case of any serviceman who ceases to engage in a kind of  
24 business which makes him responsible for filing returns under  
25 this Act, such serviceman shall file a final return under this  
26 Act with the Department not more than 1 month after

1 discontinuing such business.

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

1           Before August 1 of each year beginning in 1993, the  
2 Department shall notify all taxpayers required to make payments  
3 by electronic funds transfer. All taxpayers required to make  
4 payments by electronic funds transfer shall make those payments  
5 for a minimum of one year beginning on October 1.

6           Any taxpayer not required to make payments by electronic  
7 funds transfer may make payments by electronic funds transfer  
8 with the permission of the Department.

9           All taxpayers required to make payment by electronic funds  
10 transfer and any taxpayers authorized to voluntarily make  
11 payments by electronic funds transfer shall make those payments  
12 in the manner authorized by the Department.

13           The Department shall adopt such rules as are necessary to  
14 effectuate a program of electronic funds transfer and the  
15 requirements of this Section.

16           Where a serviceman collects the tax with respect to the  
17 selling price of tangible personal property which he sells and  
18 the purchaser thereafter returns such tangible personal  
19 property and the serviceman refunds the selling price thereof  
20 to the purchaser, such serviceman shall also refund, to the  
21 purchaser, the tax so collected from the purchaser. When filing  
22 his return for the period in which he refunds such tax to the  
23 purchaser, the serviceman may deduct the amount of the tax so  
24 refunded by him to the purchaser from any other Service  
25 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or  
26 Use Tax which such serviceman may be required to pay or remit

1 to the Department, as shown by such return, provided that the  
2 amount of the tax to be deducted shall previously have been  
3 remitted to the Department by such serviceman. If the  
4 serviceman shall not previously have remitted the amount of  
5 such tax to the Department, he shall be entitled to no  
6 deduction hereunder upon refunding such tax to the purchaser.

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

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

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

1           Beginning January 1, 1990, each month the Department shall  
2 pay into the County and Mass Transit District Fund 4% of the  
3 revenue realized for the preceding month from the 6.25% general  
4 rate, but beginning July 1, 2008, the Department shall not pay  
5 into the County and Mass Transit District Fund any revenue  
6 realized from the 6.25% general rate on the selling price of  
7 coal.

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

12           Through June 30, 2008 ~~Beginning January 1, 1990,~~ each month  
13 the Department shall pay into the Local Government Tax Fund 16%  
14 of the revenue realized for the preceding month from the 6.25%  
15 general rate on transfers of tangible personal property, and  
16 beginning July 1, 2008, each month the Department shall pay  
17 into the Local Government Tax Fund 28% of the net revenue  
18 realized for the preceding month from the 6.25% general rate on  
19 the selling price of coal and 16% of the net revenue realized  
20 for the preceding month from the 6.25% general rate on the  
21 selling price of all other tangible personal property.

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

26           Of the remainder of the moneys received by the Department

1 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
2 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
3 and after July 1, 1989, 3.8% thereof shall be paid into the  
4 Build Illinois Fund; provided, however, that if in any fiscal  
5 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
6 may be, of the moneys received by the Department and required  
7 to be paid into the Build Illinois Fund pursuant to Section 3  
8 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
9 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
10 Service Occupation Tax Act, such Acts being hereinafter called  
11 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
12 may be, of moneys being hereinafter called the "Tax Act  
13 Amount", and (2) the amount transferred to the Build Illinois  
14 Fund from the State and Local Sales Tax Reform Fund shall be  
15 less than the Annual Specified Amount (as defined in Section 3  
16 of the Retailers' Occupation Tax Act), an amount equal to the  
17 difference shall be immediately paid into the Build Illinois  
18 Fund from other moneys received by the Department pursuant to  
19 the Tax Acts; and further provided, that if on the last  
20 business day of any month the sum of (1) the Tax Act Amount  
21 required to be deposited into the Build Illinois Account in the  
22 Build Illinois Fund during such month and (2) the amount  
23 transferred during such month to the Build Illinois Fund from  
24 the State and Local Sales Tax Reform Fund shall have been less  
25 than 1/12 of the Annual Specified Amount, an amount equal to  
26 the difference shall be immediately paid into the Build

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



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

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

25	Fiscal Year	Total Deposit
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1	1993	\$0
2	1994	53,000,000
3	1995	58,000,000
4	1996	61,000,000
5	1997	64,000,000
6	1998	68,000,000
7	1999	71,000,000
8	2000	75,000,000
9	2001	80,000,000
10	2002	93,000,000
11	2003	99,000,000
12	2004	103,000,000
13	2005	108,000,000
14	2006	113,000,000
15	2007	119,000,000
16	2008	126,000,000
17	2009	132,000,000
18	2010	139,000,000
19	2011	146,000,000
20	2012	153,000,000
21	2013	161,000,000
22	2014	170,000,000
23	2015	179,000,000
24	2016	189,000,000
25	2017	199,000,000
26	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

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

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

21 Remaining moneys received by the Department pursuant to  
22 this Act shall be paid into the General Revenue Fund of the  
23 State Treasury.

24 The Department may, upon separate written notice to a  
25 taxpayer, require the taxpayer to prepare and file with the  
26 Department on a form prescribed by the Department within not

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

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

24 (i) Until January 1, 1994, the taxpayer shall be liable  
25 for a penalty equal to 1/6 of 1% of the tax due from such  
26 taxpayer under this Act during the period to be covered by

1 the annual return for each month or fraction of a month  
2 until such return is filed as required, the penalty to be  
3 assessed and collected in the same manner as any other  
4 penalty provided for in this Act.

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

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

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

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

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

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

13 (Source: P.A. 93-24, eff. 6-20-03; 93-840, eff. 7-30-04;  
14 94-1074, eff. 12-26-06.)

15 Section 15. The Retailers' Occupation Tax Act is amended by  
16 changing Section 3 as follows:

17 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

23 1. The name of the seller;

24 2. His residence address and the address of his

1 principal place of business and the address of the  
2 principal place of business (if that is a different  
3 address) from which he engages in the business of selling  
4 tangible personal property at retail in this State;

5 3. Total amount of receipts received by him during the  
6 preceding calendar month or quarter, as the case may be,  
7 from sales of tangible personal property, and from services  
8 furnished, by him during such preceding calendar month or  
9 quarter;

10 4. Total amount received by him during the preceding  
11 calendar month or quarter on charge and time sales of  
12 tangible personal property, and from services furnished,  
13 by him prior to the month or quarter for which the return  
14 is filed;

15 5. Deductions allowed by law;

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

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

21 8. The amount of tax due;

22 9. The signature of the taxpayer; and

23 10. Such other reasonable information as the  
24 Department may require.

25 If a taxpayer fails to sign a return within 30 days after  
26 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 Each return shall be accompanied by the statement of  
4 prepaid tax issued pursuant to Section 2e for which credit is  
5 claimed.

6 Prior to October 1, 2003, and on and after September 1,  
7 2004 a retailer may accept a Manufacturer's Purchase Credit  
8 certification from a purchaser in satisfaction of Use Tax as  
9 provided in Section 3-85 of the Use Tax Act if the purchaser  
10 provides the appropriate documentation as required by Section  
11 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
12 certification, accepted by a retailer prior to October 1, 2003  
13 and on and after September 1, 2004 as provided in Section 3-85  
14 of the Use Tax Act, may be used by that retailer to satisfy  
15 Retailers' Occupation Tax liability in the amount claimed in  
16 the certification, not to exceed 6.25% of the receipts subject  
17 to tax from a qualifying purchase. A Manufacturer's Purchase  
18 Credit reported on any original or amended return filed under  
19 this Act after October 20, 2003 for reporting periods prior to  
20 September 1, 2004 shall be disallowed. Manufacturer's  
21 Purchaser Credit reported on annual returns due on or after  
22 January 1, 2005 will be disallowed for periods prior to  
23 September 1, 2004. No Manufacturer's Purchase Credit may be  
24 used after September 30, 2003 through August 31, 2004 to  
25 satisfy any tax liability imposed under this Act, including any  
26 audit liability.

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

8           1. The name of the seller;

9           2. The address of the principal place of business from  
10 which he engages in the business of selling tangible  
11 personal property at retail in this State;

12           3. The total amount of taxable receipts received by him  
13 during the preceding calendar month from sales of tangible  
14 personal property by him during such preceding calendar  
15 month, including receipts from charge and time sales, but  
16 less all deductions allowed by law;

17           4. The amount of credit provided in Section 2d of this  
18 Act;

19           5. The amount of tax due; and

20           6. Such other reasonable information as the Department  
21 may require.

22           Beginning on October 1, 2003, any person who is not a  
23 licensed distributor, importing distributor, or manufacturer,  
24 as defined in the Liquor Control Act of 1934, but is engaged in  
25 the business of selling, at retail, alcoholic liquor shall file  
26 a statement with the Department of Revenue, in a format and at

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

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

1 for the preceding month during which the transaction occurred.  
2 The distributor, importing distributor, or manufacturer shall  
3 notify the retailer as to the method by which the distributor,  
4 importing distributor, or manufacturer will provide the sales  
5 information. If the retailer is unable to receive the sales  
6 information by electronic means, the distributor, importing  
7 distributor, or manufacturer shall furnish the sales  
8 information by personal delivery or by mail. For purposes of  
9 this paragraph, the term "electronic means" includes, but is  
10 not limited to, the use of a secure Internet website, e-mail,  
11 or facsimile.

12 If a total amount of less than \$1 is payable, refundable or  
13 creditable, such amount shall be disregarded if it is less than  
14 50 cents and shall be increased to \$1 if it is 50 cents or more.

15 Beginning October 1, 1993, a taxpayer who has an average  
16 monthly tax liability of \$150,000 or more shall make all  
17 payments required by rules of the Department by electronic  
18 funds transfer. Beginning October 1, 1994, a taxpayer who has  
19 an average monthly tax liability of \$100,000 or more shall make  
20 all payments required by rules of the Department by electronic  
21 funds transfer. Beginning October 1, 1995, a taxpayer who has  
22 an average monthly tax liability of \$50,000 or more shall make  
23 all payments required by rules of the Department by electronic  
24 funds transfer. Beginning October 1, 2000, a taxpayer who has  
25 an annual tax liability of \$200,000 or more shall make all  
26 payments required by rules of the Department by electronic

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

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

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

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

26 The Department shall adopt such rules as are necessary to

1 effectuate a program of electronic funds transfer and the  
2 requirements of this Section.

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

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

21 If the retailer is otherwise required to file a monthly or  
22 quarterly return and if the retailer's average monthly tax  
23 liability with the Department does not exceed \$50, the  
24 Department may authorize his returns to be filed on an annual  
25 basis, with the return for a given year being due by January 20  
26 of the 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           Where the same person has more than one business registered  
12 with the Department under separate registrations under this  
13 Act, such person may not file each return that is due as a  
14 single return covering all such registered businesses, but  
15 shall file separate returns for each such registered business.

16           In addition, with respect to motor vehicles, watercraft,  
17 aircraft, and trailers that are required to be registered with  
18 an agency of this State, every retailer selling this kind of  
19 tangible personal property shall file, with the Department,  
20 upon a form to be prescribed and supplied by the Department, a  
21 separate return for each such item of tangible personal  
22 property which the retailer sells, except that if, in the same  
23 transaction, (i) a retailer of aircraft, watercraft, motor  
24 vehicles or trailers transfers more than one aircraft,  
25 watercraft, motor vehicle or trailer to another aircraft,  
26 watercraft, motor vehicle retailer or trailer retailer for the

1 purpose of resale or (ii) a retailer of aircraft, watercraft,  
2 motor vehicles, or trailers transfers more than one aircraft,  
3 watercraft, motor vehicle, or trailer to a purchaser for use as  
4 a qualifying rolling stock as provided in Section 2-5 of this  
5 Act, then that seller may report the transfer of all aircraft,  
6 watercraft, motor vehicles or trailers involved in that  
7 transaction to the Department on the same uniform  
8 invoice-transaction reporting return form. For purposes of  
9 this Section, "watercraft" means a Class 2, Class 3, or Class 4  
10 watercraft as defined in Section 3-2 of the Boat Registration  
11 and Safety Act, a personal watercraft, or any boat equipped  
12 with an inboard motor.

13 Any retailer who sells only motor vehicles, watercraft,  
14 aircraft, or trailers that are required to be registered with  
15 an agency of this State, so that all retailers' occupation tax  
16 liability is required to be reported, and is reported, on such  
17 transaction reporting returns and who is not otherwise required  
18 to file monthly or quarterly returns, need not file monthly or  
19 quarterly returns. However, those retailers shall be required  
20 to file returns on an annual basis.

21 The transaction reporting return, in the case of motor  
22 vehicles or trailers that are required to be registered with an  
23 agency of this State, shall be the same document as the Uniform  
24 Invoice referred to in Section 5-402 of The Illinois Vehicle  
25 Code and must show the name and address of the seller; the name  
26 and address of the purchaser; the amount of the selling price



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

16 The transaction reporting return in the case of watercraft  
17 or aircraft must show the name and address of the seller; the  
18 name and address of the purchaser; the amount of the selling  
19 price including the amount allowed by the retailer for  
20 traded-in property, if any; the amount allowed by the retailer  
21 for the traded-in tangible personal property, if any, to the  
22 extent to which Section 1 of this Act allows an exemption for  
23 the value of traded-in property; the balance payable after  
24 deducting such trade-in allowance from the total selling price;  
25 the amount of tax due from the retailer with respect to such  
26 transaction; the amount of tax collected from the purchaser by

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

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

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

1 property that is involved (if titling or registration is  
2 required) in support of such purchaser's application for an  
3 Illinois certificate or other evidence of title or registration  
4 to such tangible personal property.

5 No retailer's failure or refusal to remit tax under this  
6 Act precludes a user, who has paid the proper tax to the  
7 retailer, from obtaining his certificate of title or other  
8 evidence of title or registration (if titling or registration  
9 is required) upon satisfying the Department that such user has  
10 paid the proper tax (if tax is due) to the retailer. The  
11 Department shall adopt appropriate rules to carry out the  
12 mandate of this paragraph.

13 If the user who would otherwise pay tax to the retailer  
14 wants the transaction reporting return filed and the payment of  
15 the tax or proof of exemption made to the Department before the  
16 retailer is willing to take these actions and such user has not  
17 paid the tax to the retailer, such user may certify to the fact  
18 of such delay by the retailer and may (upon the Department  
19 being satisfied of the truth of such certification) transmit  
20 the information required by the transaction reporting return  
21 and the remittance for tax or proof of exemption directly to  
22 the Department and obtain his tax receipt or exemption  
23 determination, in which event the transaction reporting return  
24 and tax remittance (if a tax payment was required) shall be  
25 credited by the Department to the proper retailer's account  
26 with the Department, but without the 2.1% or 1.75% discount

1 provided for in this Section being allowed. When the user pays  
2 the tax directly to the Department, he shall pay the tax in the  
3 same amount and in the same form in which it would be remitted  
4 if the tax had been remitted to the Department by the retailer.

5 Refunds made by the seller during the preceding return  
6 period to purchasers, on account of tangible personal property  
7 returned to the seller, shall be allowed as a deduction under  
8 subdivision 5 of his monthly or quarterly return, as the case  
9 may be, in case the seller had theretofore included the  
10 receipts from the sale of such tangible personal property in a  
11 return filed by him and had paid the tax imposed by this Act  
12 with respect to such receipts.

13 Where the seller is a corporation, the return filed on  
14 behalf of such corporation shall be signed by the president,  
15 vice-president, secretary or treasurer or by the properly  
16 accredited agent of such corporation.

17 Where the seller is a limited liability company, the return  
18 filed on behalf of the limited liability company shall be  
19 signed by a manager, member, or properly accredited agent of  
20 the limited liability company.

21 Except as provided in this Section, the retailer filing the  
22 return under this Section shall, at the time of filing such  
23 return, pay to the Department the amount of tax imposed by this  
24 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
25 on and after January 1, 1990, or \$5 per calendar year,  
26 whichever is greater, which is allowed to reimburse the

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

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

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

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

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



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

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

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

17 The provisions of this paragraph apply on and after October  
18 1, 2001. Without regard to whether a taxpayer is required to  
19 make quarter monthly payments as specified above, any taxpayer  
20 who is required by Section 2d of this Act to collect and remit  
21 prepaid taxes and has collected prepaid taxes that average in  
22 excess of \$20,000 per month during the preceding 4 complete  
23 calendar quarters shall file a return with the Department as  
24 required by Section 2f and shall make payments to the  
25 Department on or before the 7th, 15th, 22nd and last day of the  
26 month during which the liability is incurred. Each payment

1 shall be in an amount equal to 22.5% of the taxpayer's actual  
2 liability for the month or 25% of the taxpayer's liability for  
3 the same calendar month of the preceding year. The amount of  
4 the quarter monthly payments shall be credited against the  
5 final tax liability of the taxpayer's return for that month  
6 filed under this Section or Section 2f, as the case may be.  
7 Once applicable, the requirement of the making of quarter  
8 monthly payments to the Department pursuant to this paragraph  
9 shall continue until the taxpayer's average monthly prepaid tax  
10 collections during the preceding 4 complete calendar quarters  
11 (excluding the month of highest liability and the month of  
12 lowest liability) is less than \$19,000 or until such taxpayer's  
13 average monthly liability to the Department as computed for  
14 each calendar quarter of the 4 preceding complete calendar  
15 quarters is less than \$20,000. If any such quarter monthly  
16 payment is not paid at the time or in the amount required, the  
17 taxpayer shall be liable for penalties and interest on such  
18 difference, except insofar as the taxpayer has previously made  
19 payments for that month in excess of the minimum payments  
20 previously due.

21 If any payment provided for in this Section exceeds the  
22 taxpayer's liabilities under this Act, the Use Tax Act, the  
23 Service Occupation Tax Act and the Service Use Tax Act, as  
24 shown on an original monthly return, the Department shall, if  
25 requested by the taxpayer, issue to the taxpayer a credit  
26 memorandum no later than 30 days after the date of payment. The

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

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

22 Beginning January 1, 1990, each month the Department shall  
23 pay into the Local Government Tax Fund, a special fund in the  
24 State treasury which is hereby created, the net revenue  
25 realized for the preceding month from the 1% tax on sales of  
26 food for human consumption which is to be consumed off the

1 premises where it is sold (other than alcoholic beverages, soft  
2 drinks and food which has been prepared for immediate  
3 consumption) and prescription and nonprescription medicines,  
4 drugs, medical appliances and insulin, urine testing  
5 materials, syringes and needles used by diabetics.

6 Beginning January 1, 1990, each month the Department shall  
7 pay into the County and Mass Transit District Fund, a special  
8 fund in the State treasury which is hereby created, 4% of the  
9 net revenue realized for the preceding month from the 6.25%  
10 general rate, but beginning July 1, 2008, the Department shall  
11 not pay into the County and Mass Transit District Fund any  
12 revenue realized from the 6.25% general rate on the selling  
13 price of coal.

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

18 Through June 30, 2008, Beginning January 1, 1990, each  
19 month the Department shall pay into the Local Government Tax  
20 Fund 16% of the net revenue realized for the preceding month  
21 from the 6.25% general rate on the selling price of tangible  
22 personal property, and beginning July 1, 2008, each month the  
23 Department shall pay into the Local Government Tax Fund 28% of  
24 the net revenue realized for the preceding month from the 6.25%  
25 general rate on the selling price of coal and 16% of the net  
26 revenue realized for the preceding month from the 6.25% general

1 rate on the selling price of all other tangible personal  
2 property.

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

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

	Fiscal Year	Annual Specified Amount
1		
2	1986	\$54,800,000
3	1987	\$76,650,000
4	1988	\$80,480,000
5	1989	\$88,510,000
6	1990	\$115,330,000
7	1991	\$145,470,000
8	1992	\$182,730,000
9	1993	\$206,520,000;

10 and means the Certified Annual Debt Service Requirement (as  
11 defined in Section 13 of the Build Illinois Bond Act) or the  
12 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
13 each fiscal year thereafter; and further provided, that if on  
14 the last business day of any month the sum of (1) the Tax Act  
15 Amount required to be deposited into the Build Illinois Bond  
16 Account in the Build Illinois Fund during such month and (2)  
17 the amount transferred to the Build Illinois Fund from the  
18 State and Local Sales Tax Reform Fund shall have been less than  
19 1/12 of the Annual Specified Amount, an amount equal to the  
20 difference shall be immediately paid into the Build Illinois  
21 Fund from other moneys received by the Department pursuant to  
22 the Tax Acts; and, further provided, that in no event shall the  
23 payments required under the preceding proviso result in  
24 aggregate payments into the Build Illinois Fund pursuant to  
25 this clause (b) for any fiscal year in excess of the greater of  
26 (i) the Tax Act Amount or (ii) the Annual Specified Amount for

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



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

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

	Fiscal Year	Total Deposit
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000

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

1           thereafter that bonds  
2           are outstanding under  
3           Section 13.2 of the  
4           Metropolitan Pier and  
5           Exposition Authority Act,  
6       but not after fiscal year 2042.

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

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

1 property.

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

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

21 The Department may, upon separate written notice to a  
22 taxpayer, require the taxpayer to prepare and file with the  
23 Department on a form prescribed by the Department within not  
24 less than 60 days after receipt of the notice an annual  
25 information return for the tax year specified in the notice.  
26 Such annual return to the Department shall include a statement

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

18 If the annual information return required by this Section  
19 is not filed when and as required, the taxpayer shall be liable  
20 as follows:

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

1 penalty provided for in this Act.

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

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

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

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

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

1 overpayment of liability.

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

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

26 Any person engaged in the business of selling tangible

1 personal property at retail as a concessionaire or other type  
2 of seller at the Illinois State Fair, county fairs, art shows,  
3 flea markets and similar exhibitions or events, or any  
4 transient merchants, as defined by Section 2 of the Transient  
5 Merchant Act of 1987, may be required to make a daily report of  
6 the amount of such sales to the Department and to make a daily  
7 payment of the full amount of tax due. The Department shall  
8 impose this requirement when it finds that there is a  
9 significant risk of loss of revenue to the State at such an  
10 exhibition or event. Such a finding shall be based on evidence  
11 that a substantial number of concessionaires or other sellers  
12 who are not residents of Illinois will be engaging in the  
13 business of selling tangible personal property at retail at the  
14 exhibition or event, or other evidence of a significant risk of  
15 loss of revenue to the State. The Department shall notify  
16 concessionaires and other sellers affected by the imposition of  
17 this requirement. In the absence of notification by the  
18 Department, the concessionaires and other sellers shall file  
19 their returns as otherwise required in this Section.

20 (Source: P.A. 94-1074, eff. 12-26-06; 95-331, eff. 8-21-07.)

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