



Rep. Barbara Flynn Currie

Filed: 5/5/2010

09600SB3658ham002

LRB096 20358 HLH 41266 a

1 AMENDMENT TO SENATE BILL 3658

2 AMENDMENT NO. _____. Amend Senate Bill 3658, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The State Finance Act is amended by changing
6 Sections 6z-18 and 6z-20 as follows:

7 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

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

1 occurred in that municipality. The remainder shall be
2 distributed to each county based upon the sales which occurred
3 in the unincorporated area of that county.

4 A portion of the money paid into the Local Government Tax
5 Fund from the 6.25% general use tax rate on the selling price
6 of tangible personal property which is purchased outside
7 Illinois at retail from a retailer and which is titled or
8 registered by any agency of this State's government shall be
9 distributed to municipalities as provided in this paragraph.
10 Each municipality shall receive the amount attributable to
11 sales for which Illinois addresses for titling or registration
12 purposes are given as being in such municipality. The remainder
13 of the money paid into the Local Government Tax Fund from such
14 sales shall be distributed to counties. Each county shall
15 receive the amount attributable to sales for which Illinois
16 addresses for titling or registration purposes are given as
17 being located in the unincorporated area of such county.

18 A portion of the money paid into the Local Government Tax
19 Fund from the 6.25% general rate (and, beginning July 1, 2000
20 and through December 31, 2000, the 1.25% rate on motor fuel and
21 gasohol, and beginning on August 6, 2010 through August 15,
22 2010, the 1.25% rate on sales tax holiday items) on sales
23 subject to taxation under the Retailers' Occupation Tax Act and
24 the Service Occupation Tax Act, which occurred in
25 municipalities, shall be distributed to each municipality,
26 based upon the sales which occurred in that municipality. The

1 remainder shall be distributed to each county, based upon the
2 sales which occurred in the unincorporated area of such county.

3 For the purpose of determining allocation to the local
4 government unit, a retail sale by a producer of coal or other
5 mineral mined in Illinois is a sale at retail at the place
6 where the coal or other mineral mined in Illinois is extracted
7 from the earth. This paragraph does not apply to coal or other
8 mineral when it is delivered or shipped by the seller to the
9 purchaser at a point outside Illinois so that the sale is
10 exempt under the United States Constitution as a sale in
11 interstate or foreign commerce.

12 Whenever the Department determines that a refund of money
13 paid into the Local Government Tax Fund should be made to a
14 claimant instead of issuing a credit memorandum, the Department
15 shall notify the State Comptroller, who shall cause the order
16 to be drawn for the amount specified, and to the person named,
17 in such notification from the Department. Such refund shall be
18 paid by the State Treasurer out of the Local Government Tax
19 Fund.

20 On or before the 25th day of each calendar month, the
21 Department shall prepare and certify to the Comptroller the
22 disbursement of stated sums of money to named municipalities
23 and counties, the municipalities and counties to be those
24 entitled to distribution of taxes or penalties paid to the
25 Department during the second preceding calendar month. The
26 amount to be paid to each municipality or county shall be the

1 amount (not including credit memoranda) collected during the
2 second preceding calendar month by the Department and paid into
3 the Local Government Tax Fund, plus an amount the Department
4 determines is necessary to offset any amounts which were
5 erroneously paid to a different taxing body, and not including
6 an amount equal to the amount of refunds made during the second
7 preceding calendar month by the Department, and not including
8 any amount which the Department determines is necessary to
9 offset any amounts which are payable to a different taxing body
10 but were erroneously paid to the municipality or county. Within
11 10 days after receipt, by the Comptroller, of the disbursement
12 certification to the municipalities and counties, provided for
13 in this Section to be given to the Comptroller by the
14 Department, the Comptroller shall cause the orders to be drawn
15 for the respective amounts in accordance with the directions
16 contained in such certification.

17 When certifying the amount of monthly disbursement to a
18 municipality or county under this Section, the Department shall
19 increase or decrease that amount by an amount necessary to
20 offset any misallocation of previous disbursements. The offset
21 amount shall be the amount erroneously disbursed within the 6
22 months preceding the time a misallocation is discovered.

23 The provisions directing the distributions from the
24 special fund in the State Treasury provided for in this Section
25 shall constitute an irrevocable and continuing appropriation
26 of all amounts as provided herein. The State Treasurer and

1 State Comptroller are hereby authorized to make distributions
2 as provided in this Section.

3 In construing any development, redevelopment, annexation,
4 preannexation or other lawful agreement in effect prior to
5 September 1, 1990, which describes or refers to receipts from a
6 county or municipal retailers' occupation tax, use tax or
7 service occupation tax which now cannot be imposed, such
8 description or reference shall be deemed to include the
9 replacement revenue for such abolished taxes, distributed from
10 the Local Government Tax Fund.

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

13 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

14 Sec. 6z-20. Of the money received from the 6.25% general
15 rate (and, beginning July 1, 2000 and through December 31,
16 2000, the 1.25% rate on motor fuel and gasohol, and beginning
17 on August 6, 2010 through August 15, 2010, the 1.25% rate on
18 sales tax holiday items) on sales subject to taxation under the
19 Retailers' Occupation Tax Act and Service Occupation Tax Act
20 and paid into the County and Mass Transit District Fund,
21 distribution to the Regional Transportation Authority tax
22 fund, created pursuant to Section 4.03 of the Regional
23 Transportation Authority Act, for deposit therein shall be made
24 based upon the retail sales occurring in a county having more
25 than 3,000,000 inhabitants. The remainder shall be distributed

1 to each county having 3,000,000 or fewer inhabitants based upon
2 the retail sales occurring in each such county.

3 For the purpose of determining allocation to the local
4 government unit, a retail sale by a producer of coal or other
5 mineral mined in Illinois is a sale at retail at the place
6 where the coal or other mineral mined in Illinois is extracted
7 from the earth. This paragraph does not apply to coal or other
8 mineral when it is delivered or shipped by the seller to the
9 purchaser at a point outside Illinois so that the sale is
10 exempt under the United States Constitution as a sale in
11 interstate or foreign commerce.

12 Of the money received from the 6.25% general use tax rate
13 on tangible personal property which is purchased outside
14 Illinois at retail from a retailer and which is titled or
15 registered by any agency of this State's government and paid
16 into the County and Mass Transit District Fund, the amount for
17 which Illinois addresses for titling or registration purposes
18 are given as being in each county having more than 3,000,000
19 inhabitants shall be distributed into the Regional
20 Transportation Authority tax fund, created pursuant to Section
21 4.03 of the Regional Transportation Authority Act. The
22 remainder of the money paid from such sales shall be
23 distributed to each county based on sales for which Illinois
24 addresses for titling or registration purposes are given as
25 being located in the county. Any money paid into the Regional
26 Transportation Authority Occupation and Use Tax Replacement

1 Fund from the County and Mass Transit District Fund prior to
2 January 14, 1991, which has not been paid to the Authority
3 prior to that date, shall be transferred to the Regional
4 Transportation Authority tax fund.

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

13 On or before the 25th day of each calendar month, the
14 Department shall prepare and certify to the Comptroller the
15 disbursement of stated sums of money to the Regional
16 Transportation Authority and to named counties, the counties to
17 be those entitled to distribution, as hereinabove provided, of
18 taxes or penalties paid to the Department during the second
19 preceding calendar month. The amount to be paid to the Regional
20 Transportation Authority and each county having 3,000,000 or
21 fewer inhabitants shall be the amount (not including credit
22 memoranda) collected during the second preceding calendar
23 month by the Department and paid into the County and Mass
24 Transit District Fund, plus an amount the Department determines
25 is necessary to offset any amounts which were erroneously paid
26 to a different taxing body, and not including an amount equal

1 to the amount of refunds made during the second preceding
2 calendar month by the Department, and not including any amount
3 which the Department determines is necessary to offset any
4 amounts which were payable to a different taxing body but were
5 erroneously paid to the Regional Transportation Authority or
6 county. Within 10 days after receipt, by the Comptroller, of
7 the disbursement certification to the Regional Transportation
8 Authority and counties, provided for in this Section to be
9 given to the Comptroller by the Department, the Comptroller
10 shall cause the orders to be drawn for the respective amounts
11 in accordance with the directions contained in such
12 certification.

13 When certifying the amount of a monthly disbursement to the
14 Regional Transportation Authority or to a county under this
15 Section, the Department shall increase or decrease that amount
16 by an amount necessary to offset any misallocation of previous
17 disbursements. The offset amount shall be the amount
18 erroneously disbursed within the 6 months preceding the time a
19 misallocation is discovered.

20 The provisions directing the distributions from the
21 special fund in the State Treasury provided for in this Section
22 and from the Regional Transportation Authority tax fund created
23 by Section 4.03 of the Regional Transportation Authority Act
24 shall constitute an irrevocable and continuing appropriation
25 of all amounts as provided herein. The State Treasurer and
26 State Comptroller are hereby authorized to make distributions

1 as provided in this Section.

2 In construing any development, redevelopment, annexation,
3 preannexation or other lawful agreement in effect prior to
4 September 1, 1990, which describes or refers to receipts from a
5 county or municipal retailers' occupation tax, use tax or
6 service occupation tax which now cannot be imposed, such
7 description or reference shall be deemed to include the
8 replacement revenue for such abolished taxes, distributed from
9 the County and Mass Transit District Fund or Local Government
10 Distributive Fund, as the case may be.

11 (Source: P.A. 90-491, eff. 1-1-98; 91-872, eff. 7-1-00.)

12 Section 10. The Use Tax Act is amended by changing Sections
13 3-10 and 9 and by adding Section 3-6 as follows:

14 (35 ILCS 105/3-6 new)

15 Sec. 3-6. Sales tax holiday items.

16 (a) The tangible personal property described in this
17 subsection qualifies for the 1.25% reduced rate of tax for the
18 period set forth in Section 3-10 of this Act (hereinafter
19 referred to as the Sales Tax Holiday Period). The reduced rate
20 on these items shall be administered under the provisions of
21 subsection (b) of this Section. The following items are subject
22 to the reduced rate:

23 (1) Clothing items that each have a retail selling
24 price of less than \$100.

1 "Clothing" means, unless otherwise specified in this
2 Section, all human wearing apparel suitable for general
3 use. "Clothing" does not include clothing accessories,
4 protective equipment, or sport or recreational equipment.
5 "Clothing" includes, but is not limited to: household and
6 shop aprons; athletic supporters; bathing suits and caps;
7 belts and suspenders; boots; coats and jackets; ear muffs;
8 footlets; gloves and mittens for general use; hats and
9 caps; hosiery; insoles for shoes; lab coats; neckties;
10 overshoes; pantyhose; rainwear; rubber pants; sandals;
11 scarves; shoes and shoelaces; slippers; sneakers; socks
12 and stockings; steel-toed shoes; underwear; and school
13 uniforms.

14 "Clothing accessories" means, but is not limited to:
15 briefcases; cosmetics; hair notions, including, but not
16 limited to barrettes, hair bows, and hair nets; handbags;
17 handkerchiefs; jewelry; non-prescription sunglasses;
18 umbrellas; wallets; watches; and wigs and hair pieces.

19 "Protective equipment" means, but is not limited to:
20 breathing masks; clean room apparel and equipment; ear and
21 hearing protectors; face shields; hard hats; helmets;
22 paint or dust respirators; protective gloves; safety
23 glasses and goggles; safety belts; tool belts; and welder's
24 gloves and masks.

25 "Sport or recreational equipment" means, but is not
26 limited to: ballet and tap shoes; cleated or spiked

1 athletic shoes; gloves, including, but not limited to,
2 baseball, bowling, boxing, hockey, and golf gloves;
3 goggles; hand and elbow guards; life preservers and vests;
4 mouth guards; roller and ice skates; shin guards; shoulder
5 pads; ski boots; waders; and wetsuits and fins.

6 (2) School supplies. "School supplies" means, unless
7 otherwise specified in this Section, items used by a
8 student in a course of study. The purchase of school
9 supplies for use by persons other than students for use in
10 a course of study are not eligible for the reduced rate of
11 tax. "School supplies" do not include school art supplies;
12 school instructional materials; cameras; film and memory
13 cards; videocameras, tapes, and videotapes; computers;
14 cell phones; Personal Digital Assistants (PDAs); handheld
15 electronic schedulers; and school computer supplies.

16 "School supplies" includes, but is not limited to:
17 binders; book bags; calculators; cellophane tape;
18 blackboard chalk; compasses; composition books; crayons;
19 erasers; expandable, pocket, plastic, and manila folders;
20 glue, paste, and paste sticks; highlighters; index cards;
21 index card boxes; legal pads; lunch boxes; markers;
22 notebooks; paper, including loose leaf ruled notebook
23 paper, copy paper, graph paper, tracing paper, manila
24 paper, colored paper, poster board, and construction
25 paper; pencils; pencil leads; pens; ink and ink refills for
26 pens; pencil boxes and other school supply boxes; pencil

1 sharpeners; protractors; rulers; scissors; and
2 writing-tablets.

3 "School art supply" means an item commonly used by a
4 student in a course of study for artwork and includes only
5 the following items: clay and glazes; acrylic, tempera, and
6 oil paint; paintbrushes for artwork; sketch and drawing
7 pads; and watercolors.

8 "School instructional material" means written material
9 commonly used by a student in a course of study as a
10 reference and to learn the subject being taught and
11 includes only the following items: reference books;
12 reference maps and globes; textbooks; and workbooks.

13 "School computer supply" means an item commonly used by
14 a student in a course of study in which a computer is used
15 and applies only to the following items: flashdrives and
16 other computer data storage devices; data storage media,
17 such as diskettes and compact disks; boxes and cases for
18 disk storage; external ports or drives; computer cases;
19 computer cables; computer printers; and printer
20 cartridges, toner, and ink.

21 (b) Administration. Notwithstanding any other provision of
22 this Act, the reduced rate of tax under Section 3-10 of this
23 Act for clothing and school supplies shall be administered by
24 the Department under the provisions of this subsection (b).

25 (1) Bundled sales. Items that qualify for the reduced
26 rate of tax that are bundled together with items that do

1 not qualify for the reduced rate of tax and that are sold
2 for one itemized price will be subject to the reduced rate
3 of tax only if the value of the items that qualify for the
4 reduced rate of tax exceeds the value of the items that do
5 not qualify for the reduced rate of tax.

6 (2) Coupons and discounts. An unreimbursed discount by
7 the seller reduces the sales price of the property so that
8 the discounted sales price determines whether the sales
9 price is within a sales tax holiday price threshold. A
10 coupon or other reduction in the sales price is treated as
11 a discount if the seller is not reimbursed for the coupon
12 or reduction amount by a third-party.

13 (3) Splitting of items normally sold together.
14 Articles that are normally sold as a single unit must
15 continue to be sold in that manner. Such articles cannot be
16 priced separately and sold as individual items in order to
17 obtain the reduced rate of tax. For example, a pair of
18 shoes cannot have each shoe sold separately so that the
19 sales price of each shoe is within a sales tax holiday
20 price threshold.

21 (4) Rain checks. A rain check is a procedure that
22 allows a customer to purchase an item at a certain price at
23 a later time because the particular item was out of stock.
24 Eligible property that customers purchase during the Sales
25 Tax Holiday Period with the use of a rain check will
26 qualify for the reduced rate of tax regardless of when the

1 rain check was issued. Issuance of a rain check during the
2 Sales Tax Holiday Period will not qualify eligible property
3 for the reduced rate of tax if the property is actually
4 purchased after the Sales Tax Holiday Period.

5 (5) Exchanges. The procedure for an exchange in regards
6 to a sales tax holiday is as follows:

7 (A) If a customer purchases an item of eligible
8 property during the Sales Tax Holiday Period, but later
9 exchanges the item for a similar eligible item, even if
10 a different size, different color, or other feature, no
11 additional tax is due even if the exchange is made
12 after the Sales Tax Holiday Period.

13 (B) If a customer purchases an item of eligible
14 property during the Sales Tax Holiday Period, but after
15 the Sales Tax Holiday Period has ended, the customer
16 returns the item and receives credit on the purchase of
17 a different item, the 6.25% general merchandise sales
18 tax rate is due on the sale of the newly purchased
19 item.

20 (C) If a customer purchases an item of eligible
21 property before the Sales Tax Holiday Period, but
22 during the Sales Tax Holiday Period the customer
23 returns the item and receives credit on the purchase of
24 a different item of eligible property, the reduced rate
25 of tax is due on the sale of the new item if the new
26 item is purchased during the Sales Tax Holiday Period.

1 (6) Delivery charges. Delivery charges, including
2 shipping, handling and service charges, are part of the
3 sales price of eligible property.

4 (7) Order date and back orders. For the purpose of a
5 sales tax holiday, eligible property qualifies for the
6 reduced rate of tax if: (i) the item is both delivered to
7 and paid for by the customer during the Sales Tax Holiday
8 Period or (ii) the customer orders and pays for the item
9 and the seller accepts the order during the Sales Tax
10 Holiday Period for immediate shipment, even if delivery is
11 made after the Sales Tax Holiday Period. The seller accepts
12 an order when the seller has taken action to fill the order
13 for immediate shipment. Actions to fill an order include
14 placement of an "in date" stamp on an order or assignment
15 of an "order number" to an order within the Sales Tax
16 Holiday Period. An order is for immediate shipment when the
17 customer does not request delayed shipment. An order is for
18 immediate shipment notwithstanding that the shipment may
19 be delayed because of a backlog of orders or because stock
20 is currently unavailable to, or on back order by, the
21 seller.

22 (8) Returns. For a 60-day period immediately after the
23 Sales Tax Holiday Period, if a customer returns an item
24 that would qualify for the reduced rate of tax, credit for
25 or refund of sales tax shall be given only at the reduced
26 rate unless the customer provides a receipt or invoice that

1 shows tax was paid at the 6.25% general merchandise rate,
2 or the seller has sufficient documentation to show that tax
3 was paid at the 6.25% general merchandise rate on the
4 specific item. This 60-day period is set solely for the
5 purpose of designating a time period during which the
6 customer must provide documentation that shows that the
7 appropriate sales tax rate was paid on returned
8 merchandise. The 60-day period is not intended to change a
9 seller's policy on the time period during which the seller
10 will accept returns.

11 (c) The Department may implement the provisions of this
12 Section through the use of emergency rules, along with
13 permanent rules filed concurrently with such emergency rules,
14 in accordance with the provisions of Section 5-45 of the
15 Illinois Administrative Procedure Act. For purposes of the
16 Illinois Administrative Procedure Act, the adoption of rules to
17 implement the provisions of this Section shall be deemed an
18 emergency and necessary for the public interest, safety, and
19 welfare.

20 (35 ILCS 105/3-10)

21 Sec. 3-10. Rate of tax. Unless otherwise provided in this
22 Section, the tax imposed by this Act is at the rate of 6.25% of
23 either the selling price or the fair market value, if any, of
24 the tangible personal property. In all cases where property
25 functionally used or consumed is the same as the property that

1 was purchased at retail, then the tax is imposed on the selling
2 price of the property. In all cases where property functionally
3 used or consumed is a by-product or waste product that has been
4 refined, manufactured, or produced from property purchased at
5 retail, then the tax is imposed on the lower of the fair market
6 value, if any, of the specific property so used in this State
7 or on the selling price of the property purchased at retail.
8 For purposes of this Section "fair market value" means the
9 price at which property would change hands between a willing
10 buyer and a willing seller, neither being under any compulsion
11 to buy or sell and both having reasonable knowledge of the
12 relevant facts. The fair market value shall be established by
13 Illinois sales by the taxpayer of the same property as that
14 functionally used or consumed, or if there are no such sales by
15 the taxpayer, then comparable sales or purchases of property of
16 like kind and character in Illinois.

17 Beginning on July 1, 2000 and through December 31, 2000,
18 with respect to motor fuel, as defined in Section 1.1 of the
19 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
20 the Use Tax Act, the tax is imposed at the rate of 1.25%.

21 Beginning on August 6, 2010 through August 15, 2010, with
22 respect to sales tax holiday items as defined in Section 3-6 of
23 this Act, the tax is imposed at the rate of 1.25%.

24 With respect to gasohol, the tax imposed by this Act
25 applies to (i) 70% of the proceeds of sales made on or after
26 January 1, 1990, and before July 1, 2003, (ii) 80% of the

1 proceeds of sales made on or after July 1, 2003 and on or
2 before December 31, 2013, and (iii) 100% of the proceeds of
3 sales made thereafter. If, at any time, however, the tax under
4 this Act on sales of gasohol is imposed at the rate of 1.25%,
5 then the tax imposed by this Act applies to 100% of the
6 proceeds of sales of gasohol made during that time.

7 With respect to majority blended ethanol fuel, the tax
8 imposed by this Act does not apply to the proceeds of sales
9 made on or after July 1, 2003 and on or before December 31,
10 2013 but applies to 100% of the proceeds of sales made
11 thereafter.

12 With respect to biodiesel blends with no less than 1% and
13 no more than 10% biodiesel, the tax imposed by this Act applies
14 to (i) 80% of the proceeds of sales made on or after July 1,
15 2003 and on or before December 31, 2013 and (ii) 100% of the
16 proceeds of sales made thereafter. If, at any time, however,
17 the tax under this Act on sales of biodiesel blends with no
18 less than 1% and no more than 10% biodiesel is imposed at the
19 rate of 1.25%, then the tax imposed by this Act applies to 100%
20 of the proceeds of sales of biodiesel blends with no less than
21 1% and no more than 10% biodiesel made during that time.

22 With respect to 100% biodiesel and biodiesel blends with
23 more than 10% but no more than 99% biodiesel, the tax imposed
24 by this Act does not apply to the proceeds of sales made on or
25 after July 1, 2003 and on or before December 31, 2013 but
26 applies to 100% of the proceeds of sales made thereafter.

1 With respect to food for human consumption that is to be
2 consumed off the premises where it is sold (other than
3 alcoholic beverages, soft drinks, and food that has been
4 prepared for immediate consumption) and prescription and
5 nonprescription medicines, drugs, medical appliances,
6 modifications to a motor vehicle for the purpose of rendering
7 it usable by a disabled person, and insulin, urine testing
8 materials, syringes, and needles used by diabetics, for human
9 use, the tax is imposed at the rate of 1%. For the purposes of
10 this Section, until September 1, 2009: the term "soft drinks"
11 means any complete, finished, ready-to-use, non-alcoholic
12 drink, whether carbonated or not, including but not limited to
13 soda water, cola, fruit juice, vegetable juice, carbonated
14 water, and all other preparations commonly known as soft drinks
15 of whatever kind or description that are contained in any
16 closed or sealed bottle, can, carton, or container, regardless
17 of size; but "soft drinks" does not include coffee, tea,
18 non-carbonated water, infant formula, milk or milk products as
19 defined in the Grade A Pasteurized Milk and Milk Products Act,
20 or drinks containing 50% or more natural fruit or vegetable
21 juice.

22 Notwithstanding any other provisions of this Act,
23 beginning September 1, 2009, "soft drinks" means non-alcoholic
24 beverages that contain natural or artificial sweeteners. "Soft
25 drinks" do not include beverages that contain milk or milk
26 products, soy, rice or similar milk substitutes, or greater

1 than 50% of vegetable or fruit juice by volume.

2 Until August 1, 2009, and notwithstanding any other
3 provisions of this Act, "food for human consumption that is to
4 be consumed off the premises where it is sold" includes all
5 food sold through a vending machine, except soft drinks, and
6 food products that are dispensed hot from a vending machine,
7 regardless of the location of the vending machine. Beginning
8 August 1, 2009, and notwithstanding any other provisions of
9 this Act, "food for human consumption that is to be consumed
10 off the premises where it is sold" includes all food sold
11 through a vending machine, except soft drinks, candy, and food
12 products that are dispensed hot from a vending machine,
13 regardless of the location of the vending machine.

14 Notwithstanding any other provisions of this Act,
15 beginning September 1, 2009, "food for human consumption that
16 is to be consumed off the premises where it is sold" does not
17 include candy. For purposes of this Section, "candy" means a
18 preparation of sugar, honey, or other natural or artificial
19 sweeteners in combination with chocolate, fruits, nuts or other
20 ingredients or flavorings in the form of bars, drops, or
21 pieces. "Candy" does not include any preparation that contains
22 flour or requires refrigeration.

23 Notwithstanding any other provisions of this Act,
24 beginning September 1, 2009, "nonprescription medicines and
25 drugs" does not include grooming and hygiene products. For
26 purposes of this Section, "grooming and hygiene products"

1 includes, but is not limited to, soaps and cleaning solutions,
2 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
3 lotions and screens, unless those products are available by
4 prescription only, regardless of whether the products meet the
5 definition of "over-the-counter-drugs". For the purposes of
6 this paragraph, "over-the-counter-drug" means a drug for human
7 use that contains a label that identifies the product as a drug
8 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
9 label includes:

10 (A) A "Drug Facts" panel; or

11 (B) A statement of the "active ingredient(s)" with a
12 list of those ingredients contained in the compound,
13 substance or preparation.

14 If the property that is purchased at retail from a retailer
15 is acquired outside Illinois and used outside Illinois before
16 being brought to Illinois for use here and is taxable under
17 this Act, the "selling price" on which the tax is computed
18 shall be reduced by an amount that represents a reasonable
19 allowance for depreciation for the period of prior out-of-state
20 use.

21 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
22 eff. 7-13-09; revised 8-20-09.)

23 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

24 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
25 and trailers that are required to be registered with an agency

1 of this State, each retailer required or authorized to collect
2 the tax imposed by this Act shall pay to the Department the
3 amount of such tax (except as otherwise provided) at the time
4 when he is required to file his return for the period during
5 which such tax was collected, less a discount of 2.1% prior to
6 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
7 per calendar year, whichever is greater, which is allowed to
8 reimburse the retailer for expenses incurred in collecting the
9 tax, keeping records, preparing and filing returns, remitting
10 the tax and supplying data to the Department on request. In the
11 case of retailers who report and pay the tax on a transaction
12 by transaction basis, as provided in this Section, such
13 discount shall be taken with each such tax remittance instead
14 of when such retailer files his periodic return. A retailer
15 need not remit that part of any tax collected by him to the
16 extent that he is required to remit and does remit the tax
17 imposed by the Retailers' Occupation Tax Act, with respect to
18 the sale of the same property.

19 Where such tangible personal property is sold under a
20 conditional sales contract, or under any other form of sale
21 wherein the payment of the principal sum, or a part thereof, is
22 extended beyond the close of the period for which the return is
23 filed, the retailer, in collecting the tax (except as to motor
24 vehicles, watercraft, aircraft, and trailers that are required
25 to be registered with an agency of this State), may collect for
26 each tax return period, only the tax applicable to that part of

1 the selling price actually received during such tax return
2 period.

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

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

15 1. The name of the seller;

16 2. The address of the principal place of business from
17 which he engages in the business of selling tangible
18 personal property at retail in this State;

19 3. The total amount of taxable receipts received by him
20 during the preceding calendar month from sales of tangible
21 personal property by him during such preceding calendar
22 month, including receipts from charge and time sales, but
23 less all deductions allowed by law;

24 4. The amount of credit provided in Section 2d of this
25 Act;

26 5. The amount of tax due;

1 5-5. The signature of the taxpayer; and

2 6. Such other reasonable information as the Department
3 may require.

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

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

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

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

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

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

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

22 Before October 1, 2000, if the taxpayer's average monthly
23 tax liability to the Department under this Act, the Retailers'
24 Occupation Tax Act, the Service Occupation Tax Act, the Service
25 Use Tax Act was \$10,000 or more during the preceding 4 complete
26 calendar quarters, he shall file a return with the Department

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

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

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

1 quarter monthly payment is not paid at the time or in the
2 amount required by this Section, then the taxpayer shall be
3 liable for penalties and interest on the difference between the
4 minimum amount due and the amount of such quarter monthly
5 payment actually and timely paid, except insofar as the
6 taxpayer has previously made payments for that month to the
7 Department in excess of the minimum payments previously due as
8 provided in this Section. The Department shall make reasonable
9 rules and regulations to govern the quarter monthly payment
10 amount and quarter monthly payment dates for taxpayers who file
11 on other than a calendar monthly basis.

12 If any such payment provided for in this Section exceeds
13 the taxpayer's liabilities under this Act, the Retailers'
14 Occupation Tax Act, the Service Occupation Tax Act and the
15 Service Use Tax Act, as shown by an original monthly return,
16 the Department shall issue to the taxpayer a credit memorandum
17 no later than 30 days after the date of payment, which
18 memorandum may be submitted by the taxpayer to the Department
19 in payment of tax liability subsequently to be remitted by the
20 taxpayer to the Department or be assigned by the taxpayer to a
21 similar taxpayer under this Act, the Retailers' Occupation Tax
22 Act, the Service Occupation Tax Act or the Service Use Tax Act,
23 in accordance with reasonable rules and regulations to be
24 prescribed by the Department, except that if such excess
25 payment is shown on an original monthly return and is made
26 after December 31, 1986, no credit memorandum shall be issued,

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

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

24 If the retailer is otherwise required to file a monthly or
25 quarterly return and if the retailer's average monthly tax
26 liability to the Department does not exceed \$50, the Department

1 may authorize his returns to be filed on an annual basis, with
2 the return for a given year being due by January 20 of the
3 following year.

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

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

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

1 watercraft, motor vehicle, or trailer to a purchaser for use as
2 a qualifying rolling stock as provided in Section 3-55 of this
3 Act, then that seller may report the transfer of all the
4 aircraft, watercraft, motor vehicles or trailers involved in
5 that transaction to the Department on the same uniform
6 invoice-transaction reporting return form. For purposes of
7 this Section, "watercraft" means a Class 2, Class 3, or Class 4
8 watercraft as defined in Section 3-2 of the Boat Registration
9 and Safety Act, a personal watercraft, or any boat equipped
10 with an inboard motor.

11 The transaction reporting return in the case of motor
12 vehicles or trailers that are required to be registered with an
13 agency of this State, shall be the same document as the Uniform
14 Invoice referred to in Section 5-402 of the Illinois Vehicle
15 Code and must show the name and address of the seller; the name
16 and address of the purchaser; the amount of the selling price
17 including the amount allowed by the retailer for traded-in
18 property, if any; the amount allowed by the retailer for the
19 traded-in tangible personal property, if any, to the extent to
20 which Section 2 of this Act allows an exemption for the value
21 of traded-in property; the balance payable after deducting such
22 trade-in allowance from the total selling price; the amount of
23 tax due from the retailer with respect to such transaction; the
24 amount of tax collected from the purchaser by the retailer on
25 such transaction (or satisfactory evidence that such tax is not
26 due in that particular instance, if that is claimed to be the

1 fact); the place and date of the sale; a sufficient
2 identification of the property sold; such other information as
3 is required in Section 5-402 of the Illinois Vehicle Code, and
4 such other information as the Department may reasonably
5 require.

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

22 Such transaction reporting return shall be filed not later
23 than 20 days after the date of delivery of the item that is
24 being sold, but may be filed by the retailer at any time sooner
25 than that if he chooses to do so. The transaction reporting
26 return and tax remittance or proof of exemption from the tax

1 that is imposed by this Act may be transmitted to the
2 Department by way of the State agency with which, or State
3 officer with whom, the tangible personal property must be
4 titled or registered (if titling or registration is required)
5 if the Department and such agency or State officer determine
6 that this procedure will expedite the processing of
7 applications for title or registration.

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

21 No retailer's failure or refusal to remit tax under this
22 Act precludes a user, who has paid the proper tax to the
23 retailer, from obtaining his certificate of title or other
24 evidence of title or registration (if titling or registration
25 is required) upon satisfying the Department that such user has
26 paid the proper tax (if tax is due) to the retailer. The

1 Department shall adopt appropriate rules to carry out the
2 mandate of this paragraph.

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

21 Where a retailer collects the tax with respect to the
22 selling price of tangible personal property which he sells and
23 the purchaser thereafter returns such tangible personal
24 property and the retailer refunds the selling price thereof to
25 the purchaser, such retailer shall also refund, to the
26 purchaser, the tax so collected from the purchaser. When filing

1 his return for the period in which he refunds such tax to the
2 purchaser, the retailer may deduct the amount of the tax so
3 refunded by him to the purchaser from any other use tax which
4 such retailer may be required to pay or remit to the
5 Department, as shown by such return, if the amount of the tax
6 to be deducted was previously remitted to the Department by
7 such retailer. If the retailer has not previously remitted the
8 amount of such tax to the Department, he is entitled to no
9 deduction under this Act upon refunding such tax to the
10 purchaser.

11 Any retailer filing a return under this Section shall also
12 include (for the purpose of paying tax thereon) the total tax
13 covered by such return upon the selling price of tangible
14 personal property purchased by him at retail from a retailer,
15 but as to which the tax imposed by this Act was not collected
16 from the retailer filing such return, and such retailer shall
17 remit the amount of such tax to the Department when filing such
18 return.

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

25 Where the retailer has more than one business registered
26 with the Department under separate registration under this Act,

1 such retailer may not file each return that is due as a single
2 return covering all such registered businesses, but shall file
3 separate returns for each such registered business.

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

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

21 Beginning January 1, 1990, each month the Department shall
22 pay into the State and Local Sales Tax Reform Fund, a special
23 fund in the State Treasury, 20% of the net revenue realized for
24 the preceding month from the 6.25% general rate on the selling
25 price of tangible personal property, other than tangible
26 personal property which is purchased outside Illinois at retail

1 from a retailer and which is titled or registered by an agency
2 of this State's government.

3 Beginning August 1, 2000, each month the Department shall
4 pay into the State and Local Sales Tax Reform Fund 100% of the
5 net revenue realized for the preceding month from the 1.25%
6 rate on the selling price of motor fuel and gasohol. Beginning
7 September 1, 2010, each month the Department shall pay into the
8 State and Local Sales Tax Reform Fund 100% of the net revenue
9 realized for the preceding month from the 1.25% rate on the
10 selling price of sales tax holiday items.

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

18 Beginning October 1, 2009, each month the Department shall
19 pay into the Capital Projects Fund an amount that is equal to
20 an amount estimated by the Department to represent 80% of the
21 net revenue realized for the preceding month from the sale of
22 candy, grooming and hygiene products, and soft drinks that had
23 been taxed at a rate of 1% prior to September 1, 2009 but that
24 is now taxed at 6.25%.

25 Of the remainder of the moneys received by the Department
26 pursuant to this Act, (a) 1.75% thereof shall be paid into the

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

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

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

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

24	Fiscal Year	Total Deposit
25	1993	\$0

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

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

5 each fiscal year

6 thereafter that bonds

7 are outstanding under

8 Section 13.2 of the

9 Metropolitan Pier and

10 Exposition Authority Act,

11 but not after fiscal year 2042.

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

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

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

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

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

26 As soon as possible after the first day of each month, upon

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

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

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

18 (Source: P.A. 96-34, eff. 7-13-09; 96-38, eff. 7-13-09.)

19 Section 15. The Retailers' Occupation Tax Act is amended by
20 changing Sections 2-10 and 3 and by adding Section 2-8 as
21 follows:

22 (35 ILCS 120/2-8 new)

23 Sec. 2-8. Sales tax holiday items.

24 (a) The tangible personal property described in this

1 subsection qualifies for the 1.25% reduced rate of tax for the
2 period set forth in Section 2-10 of this Act (hereinafter
3 referred to as the Sales Tax Holiday Period). The reduced rate
4 on these items shall be administered under the provisions of
5 subsection (b) of this Section. The following items are subject
6 to the reduced rate:

7 (1) Clothing items that each have a retail selling
8 price of less than \$100.

9 "Clothing" means, unless otherwise specified in this
10 Section, all human wearing apparel suitable for general
11 use. "Clothing" does not include clothing accessories,
12 protective equipment, or sport or recreational equipment.
13 "Clothing" includes, but is not limited to: household and
14 shop aprons; athletic supporters; bathing suits and caps;
15 belts and suspenders; boots; coats and jackets; ear muffs;
16 footlets; gloves and mittens for general use; hats and
17 caps; hosiery; insoles for shoes; lab coats; neckties;
18 overshoes; pantyhose; rainwear; rubber pants; sandals;
19 scarves; shoes and shoelaces; slippers; sneakers; socks
20 and stockings; steel-toed shoes; underwear; and school
21 uniforms.

22 "Clothing accessories" means, but is not limited to:
23 briefcases; cosmetics; hair notions, including, but not
24 limited to barrettes, hair bows, and hair nets; handbags;
25 handkerchiefs; jewelry; non-prescription sunglasses;
26 umbrellas; wallets; watches; and wigs and hair pieces.

1 "Protective equipment" means, but is not limited to:
2 breathing masks; clean room apparel and equipment; ear and
3 hearing protectors; face shields; hard hats; helmets;
4 paint or dust respirators; protective gloves; safety
5 glasses and goggles; safety belts; tool belts; and welder's
6 gloves and masks.

7 "Sport or recreational equipment" means, but is not
8 limited to: ballet and tap shoes; cleated or spiked
9 athletic shoes; gloves, including, but not limited to,
10 baseball, bowling, boxing, hockey, and golf gloves;
11 goggles; hand and elbow guards; life preservers and vests;
12 mouth guards; roller and ice skates; shin guards; shoulder
13 pads; ski boots; waders; and wetsuits and fins.

14 (2) School supplies. "School supplies" means, unless
15 otherwise specified in this Section, items used by a
16 student in a course of study. The purchase of school
17 supplies for use by persons other than students for use in
18 a course of study are not eligible for the reduced rate of
19 tax. "School supplies" do not include school art supplies;
20 school instructional materials; cameras; film and memory
21 cards; videocameras, tapes, and videotapes; computers;
22 cell phones; Personal Digital Assistants (PDAs); handheld
23 electronic schedulers; and school computer supplies.

24 "School supplies" includes, but is not limited to:
25 binders; book bags; calculators; cellophane tape;
26 blackboard chalk; compasses; composition books; crayons;

1 erasers; expandable, pocket, plastic, and manila folders;
2 glue, paste, and paste sticks; highlighters; index cards;
3 index card boxes; legal pads; lunch boxes; markers;
4 notebooks; paper, including loose leaf ruled notebook
5 paper, copy paper, graph paper, tracing paper, manila
6 paper, colored paper, poster board, and construction
7 paper; pencils; pencil leads; pens; ink and ink refills for
8 pens; pencil boxes and other school supply boxes; pencil
9 sharpeners; protractors; rulers; scissors; and
10 writing-tablets.

11 "School art supply" means an item commonly used by a
12 student in a course of study for artwork and includes only
13 the following items: clay and glazes; acrylic, tempera, and
14 oil paint; paintbrushes for artwork; sketch and drawing
15 pads; and watercolors.

16 "School instructional material" means written material
17 commonly used by a student in a course of study as a
18 reference and to learn the subject being taught and
19 includes only the following items: reference books;
20 reference maps and globes; textbooks; and workbooks.

21 "School computer supply" means an item commonly used by
22 a student in a course of study in which a computer is used
23 and applies only to the following items: flashdrives and
24 other computer data storage devices; data storage media,
25 such as diskettes and compact disks; boxes and cases for
26 disk storage; external ports or drives; computer cases;

1 computer cables; computer printers; and printer
2 cartridges, toner, and ink.

3 (b) Administration. Notwithstanding any other provision of
4 this Act, the reduced rate of tax under Section 3-10 of this
5 Act for clothing and school supplies shall be administered by
6 the Department under the provisions of this subsection (b).

7 (1) Bundled sales. Items that qualify for the reduced
8 rate of tax that are bundled together with items that do
9 not qualify for the reduced rate of tax and that are sold
10 for one itemized price will be subject to the reduced rate
11 of tax only if the value of the items that qualify for the
12 reduced rate of tax exceeds the value of the items that do
13 not qualify for the reduced rate of tax.

14 (2) Coupons and discounts. An unreimbursed discount by
15 the seller reduces the sales price of the property so that
16 the discounted sales price determines whether the sales
17 price is within a sales tax holiday price threshold. A
18 coupon or other reduction in the sales price is treated as
19 a discount if the seller is not reimbursed for the coupon
20 or reduction amount by a third-party.

21 (3) Splitting of items normally sold together.
22 Articles that are normally sold as a single unit must
23 continue to be sold in that manner. Such articles cannot be
24 priced separately and sold as individual items in order to
25 obtain the reduced rate of tax. For example, a pair of
26 shoes cannot have each shoe sold separately so that the

1 sales price of each shoe is within a sales tax holiday
2 price threshold.

3 (4) Rain checks. A rain check is a procedure that
4 allows a customer to purchase an item at a certain price at
5 a later time because the particular item was out of stock.
6 Eligible property that customers purchase during the Sales
7 Tax Holiday Period with the use of a rain check will
8 qualify for the reduced rate of tax regardless of when the
9 rain check was issued. Issuance of a rain check during the
10 Sales Tax Holiday Period will not qualify eligible property
11 for the reduced rate of tax if the property is actually
12 purchased after the Sales Tax Holiday Period.

13 (5) Exchanges. The procedure for an exchange in regards
14 to a sales tax holiday is as follows:

15 (A) If a customer purchases an item of eligible
16 property during the Sales Tax Holiday Period, but later
17 exchanges the item for a similar eligible item, even if
18 a different size, different color, or other feature, no
19 additional tax is due even if the exchange is made
20 after the Sales Tax Holiday Period.

21 (B) If a customer purchases an item of eligible
22 property during the Sales Tax Holiday Period, but after
23 the Sales Tax Holiday Period has ended, the customer
24 returns the item and receives credit on the purchase of
25 a different item, the 6.25% general merchandise sales
26 tax rate is due on the sale of the newly purchased

1 item.

2 (C) If a customer purchases an item of eligible
3 property before the Sales Tax Holiday Period, but
4 during the Sales Tax Holiday Period the customer
5 returns the item and receives credit on the purchase of
6 a different item of eligible property, the reduced rate
7 of tax is due on the sale of the new item if the new
8 item is purchased during the Sales Tax Holiday Period.

9 (6) Delivery charges. Delivery charges, including
10 shipping, handling and service charges, are part of the
11 sales price of eligible property.

12 (7) Order date and back orders. For the purpose of a
13 sales tax holiday, eligible property qualifies for the
14 reduced rate of tax if: (i) the item is both delivered to
15 and paid for by the customer during the Sales Tax Holiday
16 Period or (ii) the customer orders and pays for the item
17 and the seller accepts the order during the Sales Tax
18 Holiday Period for immediate shipment, even if delivery is
19 made after the Sales Tax Holiday Period. The seller accepts
20 an order when the seller has taken action to fill the order
21 for immediate shipment. Actions to fill an order include
22 placement of an "in date" stamp on an order or assignment
23 of an "order number" to an order within the Sales Tax
24 Holiday Period. An order is for immediate shipment when the
25 customer does not request delayed shipment. An order is for
26 immediate shipment notwithstanding that the shipment may

1 be delayed because of a backlog of orders or because stock
2 is currently unavailable to, or on back order by, the
3 seller.

4 (8) Returns. For a 60-day period immediately after the
5 Sales Tax Holiday Period, if a customer returns an item
6 that would qualify for the reduced rate of tax, credit for
7 or refund of sales tax shall be given only at the reduced
8 rate unless the customer provides a receipt or invoice that
9 shows tax was paid at the 6.25% general merchandise rate,
10 or the seller has sufficient documentation to show that tax
11 was paid at the 6.25% general merchandise rate on the
12 specific item. This 60-day period is set solely for the
13 purpose of designating a time period during which the
14 customer must provide documentation that shows that the
15 appropriate sales tax rate was paid on returned
16 merchandise. The 60-day period is not intended to change a
17 seller's policy on the time period during which the seller
18 will accept returns.

19 (c) The Department may implement the provisions of this
20 Section through the use of emergency rules, along with
21 permanent rules filed concurrently with such emergency rules,
22 in accordance with the provisions of Section 5-45 of the
23 Illinois Administrative Procedure Act. For purposes of the
24 Illinois Administrative Procedure Act, the adoption of rules to
25 implement the provisions of this Section shall be deemed an
26 emergency and necessary for the public interest, safety, and

1 welfare.

2 (35 ILCS 120/2-10)

3 Sec. 2-10. Rate of tax. Unless otherwise provided in this
4 Section, the tax imposed by this Act is at the rate of 6.25% of
5 gross receipts from sales of tangible personal property made in
6 the course of business.

7 Beginning on July 1, 2000 and through December 31, 2000,
8 with respect to motor fuel, as defined in Section 1.1 of the
9 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
10 the Use Tax Act, the tax is imposed at the rate of 1.25%.

11 Beginning on August 6, 2010 through August 15, 2010, with
12 respect to sales tax holiday items as defined in Section 2-8 of
13 this Act, the tax is imposed at the rate of 1.25%.

14 Within 14 days after the effective date of this amendatory
15 Act of the 91st General Assembly, each retailer of motor fuel
16 and gasohol shall cause the following notice to be posted in a
17 prominently visible place on each retail dispensing device that
18 is used to dispense motor fuel or gasohol in the State of
19 Illinois: "As of July 1, 2000, the State of Illinois has
20 eliminated the State's share of sales tax on motor fuel and
21 gasohol through December 31, 2000. The price on this pump
22 should reflect the elimination of the tax." The notice shall be
23 printed in bold print on a sign that is no smaller than 4
24 inches by 8 inches. The sign shall be clearly visible to
25 customers. Any retailer who fails to post or maintain a

1 required sign through December 31, 2000 is guilty of a petty
2 offense for which the fine shall be \$500 per day per each
3 retail premises where a violation occurs.

4 With respect to gasohol, as defined in the Use Tax Act, the
5 tax imposed by this Act applies to (i) 70% of the proceeds of
6 sales made on or after January 1, 1990, and before July 1,
7 2003, (ii) 80% of the proceeds of sales made on or after July
8 1, 2003 and on or before December 31, 2013, and (iii) 100% of
9 the proceeds of sales made thereafter. If, at any time,
10 however, the tax under this Act on sales of gasohol, as defined
11 in the Use Tax Act, is imposed at the rate of 1.25%, then the
12 tax imposed by this Act applies to 100% of the proceeds of
13 sales of gasohol made during that time.

14 With respect to majority blended ethanol fuel, as defined
15 in the Use Tax Act, the tax imposed by this Act does not apply
16 to the proceeds of sales made on or after July 1, 2003 and on or
17 before December 31, 2013 but applies to 100% of the proceeds of
18 sales made thereafter.

19 With respect to biodiesel blends, as defined in the Use Tax
20 Act, with no less than 1% and no more than 10% biodiesel, the
21 tax imposed by this Act applies to (i) 80% of the proceeds of
22 sales made on or after July 1, 2003 and on or before December
23 31, 2013 and (ii) 100% of the proceeds of sales made
24 thereafter. If, at any time, however, the tax under this Act on
25 sales of biodiesel blends, as defined in the Use Tax Act, with
26 no less than 1% and no more than 10% biodiesel is imposed at

1 the rate of 1.25%, then the tax imposed by this Act applies to
2 100% of the proceeds of sales of biodiesel blends with no less
3 than 1% and no more than 10% biodiesel made during that time.

4 With respect to 100% biodiesel, as defined in the Use Tax
5 Act, and biodiesel blends, as defined in the Use Tax Act, with
6 more than 10% but no more than 99% biodiesel, the tax imposed
7 by this Act does not apply to the proceeds of sales made on or
8 after July 1, 2003 and on or before December 31, 2013 but
9 applies to 100% of the proceeds of sales made thereafter.

10 With respect to food for human consumption that is to be
11 consumed off the premises where it is sold (other than
12 alcoholic beverages, soft drinks, and food that has been
13 prepared for immediate consumption) and prescription and
14 nonprescription medicines, drugs, medical appliances,
15 modifications to a motor vehicle for the purpose of rendering
16 it usable by a disabled person, and insulin, urine testing
17 materials, syringes, and needles used by diabetics, for human
18 use, the tax is imposed at the rate of 1%. For the purposes of
19 this Section, until September 1, 2009: the term "soft drinks"
20 means any complete, finished, ready-to-use, non-alcoholic
21 drink, whether carbonated or not, including but not limited to
22 soda water, cola, fruit juice, vegetable juice, carbonated
23 water, and all other preparations commonly known as soft drinks
24 of whatever kind or description that are contained in any
25 closed or sealed bottle, can, carton, or container, regardless
26 of size; but "soft drinks" does not include coffee, tea,

1 non-carbonated water, infant formula, milk or milk products as
2 defined in the Grade A Pasteurized Milk and Milk Products Act,
3 or drinks containing 50% or more natural fruit or vegetable
4 juice.

5 Notwithstanding any other provisions of this Act,
6 beginning September 1, 2009, "soft drinks" means non-alcoholic
7 beverages that contain natural or artificial sweeteners. "Soft
8 drinks" do not include beverages that contain milk or milk
9 products, soy, rice or similar milk substitutes, or greater
10 than 50% of vegetable or fruit juice by volume.

11 Until August 1, 2009, and notwithstanding any other
12 provisions of this Act, "food for human consumption that is to
13 be consumed off the premises where it is sold" includes all
14 food sold through a vending machine, except soft drinks, and
15 food products that are dispensed hot from a vending machine,
16 regardless of the location of the vending machine. Beginning
17 August 1, 2009, and notwithstanding any other provisions of
18 this Act, "food for human consumption that is to be consumed
19 off the premises where it is sold" includes all food sold
20 through a vending machine, except soft drinks, candy, and food
21 products that are dispensed hot from a vending machine,
22 regardless of the location of the vending machine.

23 Notwithstanding any other provisions of this Act,
24 beginning September 1, 2009, "food for human consumption that
25 is to be consumed off the premises where it is sold" does not
26 include candy. For purposes of this Section, "candy" means a

1 preparation of sugar, honey, or other natural or artificial
2 sweeteners in combination with chocolate, fruits, nuts or other
3 ingredients or flavorings in the form of bars, drops, or
4 pieces. "Candy" does not include any preparation that contains
5 flour or requires refrigeration.

6 Notwithstanding any other provisions of this Act,
7 beginning September 1, 2009, "nonprescription medicines and
8 drugs" does not include grooming and hygiene products. For
9 purposes of this Section, "grooming and hygiene products"
10 includes, but is not limited to, soaps and cleaning solutions,
11 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
12 lotions and screens, unless those products are available by
13 prescription only, regardless of whether the products meet the
14 definition of "over-the-counter-drugs". For the purposes of
15 this paragraph, "over-the-counter-drug" means a drug for human
16 use that contains a label that identifies the product as a drug
17 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
18 label includes:

19 (A) A "Drug Facts" panel; or

20 (B) A statement of the "active ingredient(s)" with a
21 list of those ingredients contained in the compound,
22 substance or preparation.

23 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
24 eff. 7-13-09; revised 8-20-09.)

25 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

6 1. The name of the seller;

7 2. His residence address and the address of his
8 principal place of business and the address of the
9 principal place of business (if that is a different
10 address) from which he engages in the business of selling
11 tangible personal property at retail in this State;

12 3. Total amount of receipts received by him during the
13 preceding calendar month or quarter, as the case may be,
14 from sales of tangible personal property, and from services
15 furnished, by him during such preceding calendar month or
16 quarter;

17 4. Total amount received by him during the preceding
18 calendar month or quarter on charge and time sales of
19 tangible personal property, and from services furnished,
20 by him prior to the month or quarter for which the return
21 is filed;

22 5. Deductions allowed by law;

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

26 7. The amount of credit provided in Section 2d of this

1 Act;

2 8. The amount of tax due;

3 9. The signature of the taxpayer; and

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

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

10 Each return shall be accompanied by the statement of
11 prepaid tax issued pursuant to Section 2e for which credit is
12 claimed.

13 Prior to October 1, 2003, and on and after September 1,
14 2004 a retailer may accept a Manufacturer's Purchase Credit
15 certification from a purchaser in satisfaction of Use Tax as
16 provided in Section 3-85 of the Use Tax Act if the purchaser
17 provides the appropriate documentation as required by Section
18 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
19 certification, accepted by a retailer prior to October 1, 2003
20 and on and after September 1, 2004 as provided in Section 3-85
21 of the Use Tax Act, may be used by that retailer to satisfy
22 Retailers' Occupation Tax liability in the amount claimed in
23 the certification, not to exceed 6.25% of the receipts subject
24 to tax from a qualifying purchase. A Manufacturer's Purchase
25 Credit reported on any original or amended return filed under
26 this Act after October 20, 2003 for reporting periods prior to

1 September 1, 2004 shall be disallowed. Manufacturer's
2 Purchaser Credit reported on annual returns due on or after
3 January 1, 2005 will be disallowed for periods prior to
4 September 1, 2004. No Manufacturer's Purchase Credit may be
5 used after September 30, 2003 through August 31, 2004 to
6 satisfy any tax liability imposed under this Act, including any
7 audit liability.

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

15 1. The name of the seller;

16 2. The address of the principal place of business from
17 which he engages in the business of selling tangible
18 personal property at retail in this State;

19 3. The total amount of taxable receipts received by him
20 during the preceding calendar month from sales of tangible
21 personal property by him during such preceding calendar
22 month, including receipts from charge and time sales, but
23 less all deductions allowed by law;

24 4. The amount of credit provided in Section 2d of this
25 Act;

26 5. The amount of tax due; and

1 6. Such other reasonable information as the Department
2 may require.

3 Beginning on October 1, 2003, any person who is not a
4 licensed distributor, importing distributor, or manufacturer,
5 as defined in the Liquor Control Act of 1934, but is engaged in
6 the business of selling, at retail, alcoholic liquor shall file
7 a statement with the Department of Revenue, in a format and at
8 a time prescribed by the Department, showing the total amount
9 paid for alcoholic liquor purchased during the preceding month
10 and such other information as is reasonably required by the
11 Department. The Department may adopt rules to require that this
12 statement be filed in an electronic or telephonic format. Such
13 rules may provide for exceptions from the filing requirements
14 of this paragraph. For the purposes of this paragraph, the term
15 "alcoholic liquor" shall have the meaning prescribed in the
16 Liquor Control Act of 1934.

17 Beginning on October 1, 2003, every distributor, importing
18 distributor, and manufacturer of alcoholic liquor as defined in
19 the Liquor Control Act of 1934, shall file a statement with the
20 Department of Revenue, no later than the 10th day of the month
21 for the preceding month during which transactions occurred, by
22 electronic means, showing the total amount of gross receipts
23 from the sale of alcoholic liquor sold or distributed during
24 the preceding month to purchasers; identifying the purchaser to
25 whom it was sold or distributed; the purchaser's tax
26 registration number; and such other information reasonably

1 required by the Department. A distributor, importing
2 distributor, or manufacturer of alcoholic liquor must
3 personally deliver, mail, or provide by electronic means to
4 each retailer listed on the monthly statement a report
5 containing a cumulative total of that distributor's, importing
6 distributor's, or manufacturer's total sales of alcoholic
7 liquor to that retailer no later than the 10th day of the month
8 for the preceding month during which the transaction occurred.
9 The distributor, importing distributor, or manufacturer shall
10 notify the retailer as to the method by which the distributor,
11 importing distributor, or manufacturer will provide the sales
12 information. If the retailer is unable to receive the sales
13 information by electronic means, the distributor, importing
14 distributor, or manufacturer shall furnish the sales
15 information by personal delivery or by mail. For purposes of
16 this paragraph, the term "electronic means" includes, but is
17 not limited to, the use of a secure Internet website, e-mail,
18 or facsimile.

19 If a total amount of less than \$1 is payable, refundable or
20 creditable, such amount shall be disregarded if it is less than
21 50 cents and shall be increased to \$1 if it is 50 cents or more.

22 Beginning October 1, 1993, a taxpayer who has an average
23 monthly tax liability of \$150,000 or more shall make all
24 payments required by rules of the Department by electronic
25 funds transfer. Beginning October 1, 1994, a taxpayer who has
26 an average monthly tax liability of \$100,000 or more shall make

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

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

26 Any taxpayer not required to make payments by electronic

1 funds transfer may make payments by electronic funds transfer
2 with the permission of the Department.

3 All taxpayers required to make payment by electronic funds
4 transfer and any taxpayers authorized to voluntarily make
5 payments by electronic funds transfer shall make those payments
6 in the manner authorized by the Department.

7 The Department shall adopt such rules as are necessary to
8 effectuate a program of electronic funds transfer and the
9 requirements of this Section.

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

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

1 January 20 of the following year.

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

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

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

18 Where the same person has more than one business registered
19 with the Department under separate registrations under this
20 Act, such person may not file each return that is due as a
21 single return covering all such registered businesses, but
22 shall file separate returns for each such registered business.

23 In addition, with respect to motor vehicles, watercraft,
24 aircraft, and trailers that are required to be registered with
25 an agency of this State, every retailer selling this kind of
26 tangible personal property shall file, with the Department,

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

20 Any retailer who sells only motor vehicles, watercraft,
21 aircraft, or trailers that are required to be registered with
22 an agency of this State, so that all retailers' occupation tax
23 liability is required to be reported, and is reported, on such
24 transaction reporting returns and who is not otherwise required
25 to file monthly or quarterly returns, need not file monthly or
26 quarterly returns. However, those retailers shall be required

1 to file returns on an annual basis.

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

23 The transaction reporting return in the case of watercraft
24 or aircraft must show the name and address of the seller; the
25 name and address of the purchaser; the amount of the selling
26 price including the amount allowed by the retailer for

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

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

25 With each such transaction reporting return, the retailer
26 shall remit the proper amount of tax due (or shall submit

1 satisfactory evidence that the sale is not taxable if that is
2 the case), to the Department or its agents, whereupon the
3 Department shall issue, in the purchaser's name, a use tax
4 receipt (or a certificate of exemption if the Department is
5 satisfied that the particular sale is tax exempt) which such
6 purchaser may submit to the agency with which, or State officer
7 with whom, he must title or register the tangible personal
8 property that is involved (if titling or registration is
9 required) in support of such purchaser's application for an
10 Illinois certificate or other evidence of title or registration
11 to such tangible personal property.

12 No retailer's failure or refusal to remit tax under this
13 Act precludes a user, who has paid the proper tax to the
14 retailer, from obtaining his certificate of title or other
15 evidence of title or registration (if titling or registration
16 is required) upon satisfying the Department that such user has
17 paid the proper tax (if tax is due) to the retailer. The
18 Department shall adopt appropriate rules to carry out the
19 mandate of this paragraph.

20 If the user who would otherwise pay tax to the retailer
21 wants the transaction reporting return filed and the payment of
22 the tax or proof of exemption made to the Department before the
23 retailer is willing to take these actions and such user has not
24 paid the tax to the retailer, such user may certify to the fact
25 of such delay by the retailer and may (upon the Department
26 being satisfied of the truth of such certification) transmit

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

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

20 Where the seller is a corporation, the return filed on
21 behalf of such corporation shall be signed by the president,
22 vice-president, secretary or treasurer or by the properly
23 accredited agent of such corporation.

24 Where the seller is a limited liability company, the return
25 filed on behalf of the limited liability company shall be
26 signed by a manager, member, or properly accredited agent of

1 the limited liability company.

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

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

1 during which such liability is incurred. On and after October
2 1, 2000, if the taxpayer's average monthly tax liability to the
3 Department under this Act, the Use Tax Act, the Service
4 Occupation Tax Act, and the Service Use Tax Act, excluding any
5 liability for prepaid sales tax to be remitted in accordance
6 with Section 2d of this Act, was \$20,000 or more during the
7 preceding 4 complete calendar quarters, he shall file a return
8 with the Department each month by the 20th day of the month
9 next following the month during which such tax liability is
10 incurred and shall make payment to the Department on or before
11 the 7th, 15th, 22nd and last day of the month during which such
12 liability is incurred. If the month during which such tax
13 liability is incurred began prior to January 1, 1985, each
14 payment shall be in an amount equal to 1/4 of the taxpayer's
15 actual liability for the month or an amount set by the
16 Department not to exceed 1/4 of the average monthly liability
17 of the taxpayer to the Department for the preceding 4 complete
18 calendar quarters (excluding the month of highest liability and
19 the month of lowest liability in such 4 quarter period). If the
20 month during which such tax liability is incurred begins on or
21 after January 1, 1985 and prior to January 1, 1987, each
22 payment shall be in an amount equal to 22.5% of the taxpayer's
23 actual liability for the month or 27.5% of the taxpayer's
24 liability for the same calendar month of the preceding year. If
25 the month during which such tax liability is incurred begins on
26 or after January 1, 1987 and prior to January 1, 1988, 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. If
4 the month during which such tax liability is incurred begins on
5 or after January 1, 1988, and prior to January 1, 1989, or
6 begins on or after January 1, 1996, each payment shall be in an
7 amount equal to 22.5% of the taxpayer's actual liability for
8 the month or 25% of the taxpayer's liability for the same
9 calendar month of the preceding year. If the month during which
10 such tax liability is incurred begins on or after January 1,
11 1989, and prior to January 1, 1996, each payment shall be in an
12 amount equal to 22.5% of the taxpayer's actual liability for
13 the month or 25% of the taxpayer's liability for the same
14 calendar month of the preceding year or 100% of the taxpayer's
15 actual liability for the quarter monthly reporting period. The
16 amount of such quarter monthly payments shall be credited
17 against the final tax liability of the taxpayer's return for
18 that month. Before October 1, 2000, once applicable, the
19 requirement of the making of quarter monthly payments to the
20 Department by taxpayers having an average monthly tax liability
21 of \$10,000 or more as determined in the manner provided above
22 shall continue until such taxpayer's average monthly liability
23 to the Department during the preceding 4 complete calendar
24 quarters (excluding the month of highest liability and the
25 month of lowest liability) is less than \$9,000, or until such
26 taxpayer's average monthly liability to the Department as

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

1 that such change is seasonal in nature and not likely to be
2 long term. If any such quarter monthly payment is not paid at
3 the time or in the amount required by this Section, then the
4 taxpayer shall be liable for penalties and interest on the
5 difference between the minimum amount due as a payment and the
6 amount of such quarter monthly payment actually and timely
7 paid, except insofar as the taxpayer has previously made
8 payments for that month to the Department in excess of the
9 minimum payments previously due as provided in this Section.
10 The Department shall make reasonable rules and regulations to
11 govern the quarter monthly payment amount and quarter monthly
12 payment dates for taxpayers who file on other than a calendar
13 monthly basis.

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

1 actual liability under Section 2d. If the month during which
2 such tax liability is incurred begins on or after January 1,
3 1986, each payment shall be in an amount equal to 22.5% of the
4 taxpayer's actual liability for the month or 27.5% of the
5 taxpayer's liability for the same calendar month of the
6 preceding calendar year. If the month during which such tax
7 liability is incurred begins on or after January 1, 1987, each
8 payment shall be in an amount equal to 22.5% of the taxpayer's
9 actual liability for the month or 26.25% of the taxpayer's
10 liability for the same calendar month of the preceding year.
11 The amount of such quarter monthly payments shall be credited
12 against the final tax liability of the taxpayer's return for
13 that month filed under this Section or Section 2f, as the case
14 may be. Once applicable, the requirement of the making of
15 quarter monthly payments to the Department pursuant to this
16 paragraph shall continue until such taxpayer's average monthly
17 prepaid tax collections during the preceding 2 complete
18 calendar quarters is \$25,000 or less. If any such quarter
19 monthly payment is not paid at the time or in the amount
20 required, the taxpayer shall be liable for penalties and
21 interest on such difference, except insofar as the taxpayer has
22 previously made payments for that month in excess of the
23 minimum payments previously due.

24 The provisions of this paragraph apply on and after October
25 1, 2001. Without regard to whether a taxpayer is required to
26 make quarter monthly payments as specified above, any taxpayer

1 who is required by Section 2d of this Act to collect and remit
2 prepaid taxes and has collected prepaid taxes that average in
3 excess of \$20,000 per month during the preceding 4 complete
4 calendar quarters shall file a return with the Department as
5 required by Section 2f and shall make payments to the
6 Department on or before the 7th, 15th, 22nd and last day of the
7 month during which the liability is incurred. Each payment
8 shall be in an amount equal to 22.5% of the taxpayer's actual
9 liability for the month or 25% of the taxpayer's liability for
10 the same calendar month of the preceding year. The amount of
11 the quarter monthly payments shall be credited against the
12 final tax liability of the taxpayer's return for that month
13 filed under this Section or Section 2f, as the case may be.
14 Once applicable, the requirement of the making of quarter
15 monthly payments to the Department pursuant to this paragraph
16 shall continue until the taxpayer's average monthly prepaid tax
17 collections during the preceding 4 complete calendar quarters
18 (excluding the month of highest liability and the month of
19 lowest liability) is less than \$19,000 or until such taxpayer's
20 average monthly liability to the Department as computed for
21 each calendar quarter of the 4 preceding complete calendar
22 quarters is less than \$20,000. If any such quarter monthly
23 payment is not paid at the time or in the amount required, the
24 taxpayer shall be liable for penalties and interest on such
25 difference, except insofar as the taxpayer has previously made
26 payments for that month in excess of the minimum payments

1 previously due.

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

24 If a retailer of motor fuel is entitled to a credit under
25 Section 2d of this Act which exceeds the taxpayer's liability
26 to the Department under this Act for the month which the

1 taxpayer is filing a return, the Department shall issue the
2 taxpayer a credit memorandum for the excess.

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

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

18 Beginning August 1, 2000, each month the Department shall
19 pay into the County and Mass Transit District Fund 20% of the
20 net revenue realized for the preceding month from the 1.25%
21 rate on the selling price of motor fuel and gasohol. Beginning
22 September 1, 2010, each month the Department shall pay into the
23 County and Mass Transit District Fund 20% of the net revenue
24 realized for the preceding month from the 1.25% rate on the
25 selling price of sales tax holiday items.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the Local Government Tax Fund 16% of the net revenue
2 realized for the preceding month from the 6.25% general rate on
3 the selling price of tangible personal property.

4 Beginning August 1, 2000, each month the Department shall
5 pay into the Local Government Tax Fund 80% of the net revenue
6 realized for the preceding month from the 1.25% rate on the
7 selling price of motor fuel and gasohol. Beginning September 1,
8 2010, each month the Department shall pay into the Local
9 Government Tax Fund 80% of the net revenue realized for the
10 preceding month from the 1.25% rate on the selling price of
11 sales tax holiday items.

12 Beginning October 1, 2009, each month the Department shall
13 pay into the Capital Projects Fund an amount that is equal to
14 an amount estimated by the Department to represent 80% of the
15 net revenue realized for the preceding month from the sale of
16 candy, grooming and hygiene products, and soft drinks that had
17 been taxed at a rate of 1% prior to September 1, 2009 but that
18 is now taxed at 6.25%.

19 Of the remainder of the moneys received by the Department
20 pursuant to this Act, (a) 1.75% thereof shall be paid into the
21 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
22 and after July 1, 1989, 3.8% thereof shall be paid into the
23 Build Illinois Fund; provided, however, that if in any fiscal
24 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
25 may be, of the moneys received by the Department and required
26 to be paid into the Build Illinois Fund pursuant to this Act,

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

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

22 and means the Certified Annual Debt Service Requirement (as
23 defined in Section 13 of the Build Illinois Bond Act) or the
24 Tax Act Amount, whichever is greater, for fiscal year 1994 and
25 each fiscal year thereafter; and further provided, that if on
26 the last business day of any month the sum of (1) the Tax Act

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

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

19 Subject to payment of amounts into the Build Illinois Fund
20 as provided in the preceding paragraph or in any amendment
21 thereto hereafter enacted, the following specified monthly
22 installment of the amount requested in the certificate of the
23 Chairman of the Metropolitan Pier and Exposition Authority
24 provided under Section 8.25f of the State Finance Act, but not
25 in excess of sums designated as "Total Deposit", shall be
26 deposited in the aggregate from collections under Section 9 of

1 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
2 9 of the Service Occupation Tax Act, and Section 3 of the
3 Retailers' Occupation Tax Act into the McCormick Place
4 Expansion Project Fund in the specified fiscal years.

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

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

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

19 Beginning July 20, 1993 and in each month of each fiscal
20 year thereafter, one-eighth of the amount requested in the
21 certificate of the Chairman of the Metropolitan Pier and
22 Exposition Authority for that fiscal year, less the amount
23 deposited into the McCormick Place Expansion Project Fund by
24 the State Treasurer in the respective month under subsection
25 (g) of Section 13 of the Metropolitan Pier and Exposition
26 Authority Act, plus cumulative deficiencies in the deposits

1 required under this Section for previous months and years,
2 shall be deposited into the McCormick Place Expansion Project
3 Fund, until the full amount requested for the fiscal year, but
4 not in excess of the amount specified above as "Total Deposit",
5 has been deposited.

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

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

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

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

1 helpful in determining the accuracy of the monthly, quarterly
2 or annual returns filed by such retailer as provided for in
3 this Section.

4 If the annual information return required by this Section
5 is not filed when and as required, the taxpayer shall be liable
6 as follows:

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

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

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

25 The provisions of this Section concerning the filing of an
26 annual information return do not apply to a retailer who is not

1 required to file an income tax return with the United States
2 Government.

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

10 Net revenue realized for a month shall be the revenue
11 collected by the State pursuant to this Act, less the amount
12 paid out during that month as refunds to taxpayers for
13 overpayment of liability.

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

21 Any person who promotes, organizes, provides retail
22 selling space for concessionaires or other types of sellers at
23 the Illinois State Fair, DuQuoin State Fair, county fairs,
24 local fairs, art shows, flea markets and similar exhibitions or
25 events, including any transient merchant as defined by Section
26 2 of the Transient Merchant Act of 1987, is required to file a

1 report with the Department providing the name of the merchant's
2 business, the name of the person or persons engaged in
3 merchant's business, the permanent address and Illinois
4 Retailers Occupation Tax Registration Number of the merchant,
5 the dates and location of the event and other reasonable
6 information that the Department may require. The report must be
7 filed not later than the 20th day of the month next following
8 the month during which the event with retail sales was held.
9 Any person who fails to file a report required by this Section
10 commits a business offense and is subject to a fine not to
11 exceed \$250.

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

1 loss of revenue to the State. The Department shall notify
2 concessionaires and other sellers affected by the imposition of
3 this requirement. In the absence of notification by the
4 Department, the concessionaires and other sellers shall file
5 their returns as otherwise required in this Section.

6 (Source: P.A. 95-331, eff. 8-21-07; 96-34, eff. 7-13-09; 96-38,
7 eff. 7-13-09.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.".