

1 AN ACT concerning revenue.

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

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

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

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

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

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

10 A portion of the money paid into the Local Government Tax
11 Fund from the 6.25% general rate (and, beginning July 1, 2000
12 and through December 31, 2000, the 1.25% rate on motor fuel and
13 gasohol, and beginning on August 6, 2010 through August 15,
14 2010, the 1.25% rate on sales tax holiday items) on sales
15 subject to taxation under the Retailers' Occupation Tax Act and
16 the Service Occupation Tax Act, which occurred in
17 municipalities, shall be distributed to each municipality,
18 based upon the sales which occurred in that municipality. The
19 remainder shall be distributed to each county, based upon the
20 sales which occurred in the unincorporated area of such county.

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

1 purchaser at a point outside Illinois so that the sale is
2 exempt under the United States Constitution as a sale in
3 interstate or foreign commerce.

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

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

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

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

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

21 In construing any development, redevelopment, annexation,
22 preannexation or other lawful agreement in effect prior to
23 September 1, 1990, which describes or refers to receipts from a
24 county or municipal retailers' occupation tax, use tax or
25 service occupation tax which now cannot be imposed, such
26 description or reference shall be deemed to include the

1 replacement revenue for such abolished taxes, distributed from
2 the Local Government Tax Fund.

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

5 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

6 Sec. 6z-20. Of the money received from the 6.25% general
7 rate (and, beginning July 1, 2000 and through December 31,
8 2000, the 1.25% rate on motor fuel and gasohol, and beginning
9 on August 6, 2010 through August 15, 2010, the 1.25% rate on
10 sales tax holiday items) on sales subject to taxation under the
11 Retailers' Occupation Tax Act and Service Occupation Tax Act
12 and paid into the County and Mass Transit District Fund,
13 distribution to the Regional Transportation Authority tax
14 fund, created pursuant to Section 4.03 of the Regional
15 Transportation Authority Act, for deposit therein shall be made
16 based upon the retail sales occurring in a county having more
17 than 3,000,000 inhabitants. The remainder shall be distributed
18 to each county having 3,000,000 or fewer inhabitants based upon
19 the retail sales occurring in each such county.

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

1 purchaser at a point outside Illinois so that the sale is
2 exempt under the United States Constitution as a sale in
3 interstate or foreign commerce.

4 Of the money received from the 6.25% general use tax rate
5 on tangible personal property which is purchased outside
6 Illinois at retail from a retailer and which is titled or
7 registered by any agency of this State's government and paid
8 into the County and Mass Transit District Fund, the amount for
9 which Illinois addresses for titling or registration purposes
10 are given as being in each county having more than 3,000,000
11 inhabitants shall be distributed into the Regional
12 Transportation Authority tax fund, created pursuant to Section
13 4.03 of the Regional Transportation Authority Act. The
14 remainder of the money paid from such sales shall be
15 distributed to each county based on sales for which Illinois
16 addresses for titling or registration purposes are given as
17 being located in the county. Any money paid into the Regional
18 Transportation Authority Occupation and Use Tax Replacement
19 Fund from the County and Mass Transit District Fund prior to
20 January 14, 1991, which has not been paid to the Authority
21 prior to that date, shall be transferred to the Regional
22 Transportation Authority tax fund.

23 Whenever the Department determines that a refund of money
24 paid into the County and Mass Transit District Fund should be
25 made to a claimant instead of issuing a credit memorandum, the
26 Department shall notify the State Comptroller, who shall cause

1 the order to be drawn for the amount specified, and to the
2 person named, in such notification from the Department. Such
3 refund shall be paid by the State Treasurer out of the County
4 and Mass Transit District Fund.

5 On or before the 25th day of each calendar month, the
6 Department shall prepare and certify to the Comptroller the
7 disbursement of stated sums of money to the Regional
8 Transportation Authority and to named counties, the counties to
9 be those entitled to distribution, as hereinabove provided, of
10 taxes or penalties paid to the Department during the second
11 preceding calendar month. The amount to be paid to the Regional
12 Transportation Authority and each county having 3,000,000 or
13 fewer inhabitants shall be the amount (not including credit
14 memoranda) collected during the second preceding calendar
15 month by the Department and paid into the County and Mass
16 Transit District Fund, plus an amount the Department determines
17 is necessary to offset any amounts which were erroneously paid
18 to a different taxing body, and not including an amount equal
19 to the amount of refunds made during the second preceding
20 calendar month by the Department, and not including any amount
21 which the Department determines is necessary to offset any
22 amounts which were payable to a different taxing body but were
23 erroneously paid to the Regional Transportation Authority or
24 county. Within 10 days after receipt, by the Comptroller, of
25 the disbursement certification to the Regional Transportation
26 Authority and counties, provided for in this Section to be

1 given to the Comptroller by the Department, the Comptroller
2 shall cause the orders to be drawn for the respective amounts
3 in accordance with the directions contained in such
4 certification.

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

12 The provisions directing the distributions from the
13 special fund in the State Treasury provided for in this Section
14 and from the Regional Transportation Authority tax fund created
15 by Section 4.03 of the Regional Transportation Authority Act
16 shall constitute an irrevocable and continuing appropriation
17 of all amounts as provided herein. The State Treasurer and
18 State Comptroller are hereby authorized to make distributions
19 as provided in this Section.

20 In construing any development, redevelopment, annexation,
21 preannexation or other lawful agreement in effect prior to
22 September 1, 1990, which describes or refers to receipts from a
23 county or municipal retailers' occupation tax, use tax or
24 service occupation tax which now cannot be imposed, such
25 description or reference shall be deemed to include the
26 replacement revenue for such abolished taxes, distributed from

1 the County and Mass Transit District Fund or Local Government
2 Distributive Fund, as the case may be.

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

4 Section 10. The Use Tax Act is amended by changing Sections
5 3-10 and 9 and by adding Section 3-6 as follows:

6 (35 ILCS 105/3-6 new)

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

8 (a) The tangible personal property described in this
9 subsection qualifies for the 1.25% reduced rate of tax for the
10 period set forth in Section 3-10 of this Act (hereinafter
11 referred to as the Sales Tax Holiday Period). The reduced rate
12 on these items shall be administered under the provisions of
13 subsection (b) of this Section. The following items are subject
14 to the reduced rate:

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

17 "Clothing" means, unless otherwise specified in this
18 Section, all human wearing apparel suitable for general
19 use. "Clothing" does not include clothing accessories,
20 protective equipment, or sport or recreational equipment.
21 "Clothing" includes, but is not limited to: household and
22 shop aprons; athletic supporters; bathing suits and caps;
23 belts and suspenders; boots; coats and jackets; ear muffs;
24 footlets; gloves and mittens for general use; hats and

1 caps; hosiery; insoles for shoes; lab coats; neckties;
2 overshoes; pantyhose; rainwear; rubber pants; sandals;
3 scarves; shoes and shoelaces; slippers; sneakers; socks
4 and stockings; steel-toed shoes; underwear; and school
5 uniforms.

6 "Clothing accessories" means, but is not limited to:
7 briefcases; cosmetics; hair notions, including, but not
8 limited to barrettes, hair bows, and hair nets; handbags;
9 handkerchiefs; jewelry; non-prescription sunglasses;
10 umbrellas; wallets; watches; and wigs and hair pieces.

11 "Protective equipment" means, but is not limited to:
12 breathing masks; clean room apparel and equipment; ear and
13 hearing protectors; face shields; hard hats; helmets;
14 paint or dust respirators; protective gloves; safety
15 goggles and goggles; safety belts; tool belts; and welder's
16 gloves and masks.

17 "Sport or recreational equipment" means, but is not
18 limited to: ballet and tap shoes; cleated or spiked
19 athletic shoes; gloves, including, but not limited to,
20 baseball, bowling, boxing, hockey, and golf gloves;
21 goggles; hand and elbow guards; life preservers and vests;
22 mouth guards; roller and ice skates; shin guards; shoulder
23 pads; ski boots; waders; and wetsuits and fins.

24 (2) School supplies. "School supplies" means, unless
25 otherwise specified in this Section, items used by a
26 student in a course of study. The purchase of school

1 supplies for use by persons other than students for use in
2 a course of study are not eligible for the reduced rate of
3 tax. "School supplies" do not include school art supplies;
4 school instructional materials; cameras; film and memory
5 cards; videocameras, tapes, and videotapes; computers;
6 cell phones; Personal Digital Assistants (PDAs); handheld
7 electronic schedulers; and school computer supplies.

8 "School supplies" includes, but is not limited to:
9 binders; book bags; calculators; cellophane tape;
10 blackboard chalk; compasses; composition books; crayons;
11 erasers; expandable, pocket, plastic, and manila folders;
12 glue, paste, and paste sticks; highlighters; index cards;
13 index card boxes; legal pads; lunch boxes; markers;
14 notebooks; paper, including loose leaf ruled notebook
15 paper, copy paper, graph paper, tracing paper, manila
16 paper, colored paper, poster board, and construction
17 paper; pencils; pencil leads; pens; ink and ink refills for
18 pens; pencil boxes and other school supply boxes; pencil
19 sharpeners; protractors; rulers; scissors; and writing
20 tablets.

21 "School art supply" means an item commonly used by a
22 student in a course of study for artwork and includes only
23 the following items: clay and glazes; acrylic, tempera, and
24 oil paint; paintbrushes for artwork; sketch and drawing
25 pads; and watercolors.

26 "School instructional material" means written material

1 commonly used by a student in a course of study as a
2 reference and to learn the subject being taught and
3 includes only the following items: reference books;
4 reference maps and globes; textbooks; and workbooks.

5 "School computer supply" means an item commonly used by
6 a student in a course of study in which a computer is used
7 and applies only to the following items: flashdrives and
8 other computer data storage devices; data storage media,
9 such as diskettes and compact disks; boxes and cases for
10 disk storage; external ports or drives; computer cases;
11 computer cables; computer printers; and printer
12 cartridges, toner, and ink.

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

17 (1) Bundled sales. Items that qualify for the reduced
18 rate of tax that are bundled together with items that do
19 not qualify for the reduced rate of tax and that are sold
20 for one itemized price will be subject to the reduced rate
21 of tax only if the value of the items that qualify for the
22 reduced rate of tax exceeds the value of the items that do
23 not qualify for the reduced rate of tax.

24 (2) Coupons and discounts. An unreimbursed discount by
25 the seller reduces the sales price of the property so that
26 the discounted sales price determines whether the sales

1 price is within a sales tax holiday price threshold. A
2 coupon or other reduction in the sales price is treated as
3 a discount if the seller is not reimbursed for the coupon
4 or reduction amount by a third party.

5 (3) Splitting of items normally sold together.
6 Articles that are normally sold as a single unit must
7 continue to be sold in that manner. Such articles cannot be
8 priced separately and sold as individual items in order to
9 obtain the reduced rate of tax. For example, a pair of
10 shoes cannot have each shoe sold separately so that the
11 sales price of each shoe is within a sales tax holiday
12 price threshold.

13 (4) Rain checks. A rain check is a procedure that
14 allows a customer to purchase an item at a certain price at
15 a later time because the particular item was out of stock.
16 Eligible property that customers purchase during the Sales
17 Tax Holiday Period with the use of a rain check will
18 qualify for the reduced rate of tax regardless of when the
19 rain check was issued. Issuance of a rain check during the
20 Sales Tax Holiday Period will not qualify eligible property
21 for the reduced rate of tax if the property is actually
22 purchased after the Sales Tax Holiday Period.

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

25 (A) If a customer purchases an item of eligible
26 property during the Sales Tax Holiday Period, but later

1 exchanges the item for a similar eligible item, even if
2 a different size, different color, or other feature, no
3 additional tax is due even if the exchange is made
4 after the Sales Tax Holiday Period.

5 (B) If a customer purchases an item of eligible
6 property during the Sales Tax Holiday Period, but after
7 the Sales Tax Holiday Period has ended, the customer
8 returns the item and receives credit on the purchase of
9 a different item, the 6.25% general merchandise sales
10 tax rate is due on the sale of the newly purchased
11 item.

12 (C) If a customer purchases an item of eligible
13 property before the Sales Tax Holiday Period, but
14 during the Sales Tax Holiday Period the customer
15 returns the item and receives credit on the purchase of
16 a different item of eligible property, the reduced rate
17 of tax is due on the sale of the new item if the new
18 item is purchased during the Sales Tax Holiday Period.

19 (6) Delivery charges. Delivery charges, including
20 shipping, handling and service charges, are part of the
21 sales price of eligible property.

22 (7) Order date and back orders. For the purpose of a
23 sales tax holiday, eligible property qualifies for the
24 reduced rate of tax if: (i) the item is both delivered to
25 and paid for by the customer during the Sales Tax Holiday
26 Period or (ii) the customer orders and pays for the item

1 and the seller accepts the order during the Sales Tax
2 Holiday Period for immediate shipment, even if delivery is
3 made after the Sales Tax Holiday Period. The seller accepts
4 an order when the seller has taken action to fill the order
5 for immediate shipment. Actions to fill an order include
6 placement of an "in date" stamp on an order or assignment
7 of an "order number" to an order within the Sales Tax
8 Holiday Period. An order is for immediate shipment when the
9 customer does not request delayed shipment. An order is for
10 immediate shipment notwithstanding that the shipment may
11 be delayed because of a backlog of orders or because stock
12 is currently unavailable to, or on back order by, the
13 seller.

14 (8) Returns. For a 60-day period immediately after the
15 Sales Tax Holiday Period, if a customer returns an item
16 that would qualify for the reduced rate of tax, credit for
17 or refund of sales tax shall be given only at the reduced
18 rate unless the customer provides a receipt or invoice that
19 shows tax was paid at the 6.25% general merchandise rate,
20 or the seller has sufficient documentation to show that tax
21 was paid at the 6.25% general merchandise rate on the
22 specific item. This 60-day period is set solely for the
23 purpose of designating a time period during which the
24 customer must provide documentation that shows that the
25 appropriate sales tax rate was paid on returned
26 merchandise. The 60-day period is not intended to change a

1 seller's policy on the time period during which the seller
2 will accept returns.

3 (c) The Department may implement the provisions of this
4 Section through the use of emergency rules, along with
5 permanent rules filed concurrently with such emergency rules,
6 in accordance with the provisions of Section 5-45 of the
7 Illinois Administrative Procedure Act. For purposes of the
8 Illinois Administrative Procedure Act, the adoption of rules to
9 implement the provisions of this Section shall be deemed an
10 emergency and necessary for the public interest, safety, and
11 welfare.

12 (35 ILCS 105/3-10)

13 Sec. 3-10. Rate of tax. Unless otherwise provided in this
14 Section, the tax imposed by this Act is at the rate of 6.25% of
15 either the selling price or the fair market value, if any, of
16 the tangible personal property. In all cases where property
17 functionally used or consumed is the same as the property that
18 was purchased at retail, then the tax is imposed on the selling
19 price of the property. In all cases where property functionally
20 used or consumed is a by-product or waste product that has been
21 refined, manufactured, or produced from property purchased at
22 retail, then the tax is imposed on the lower of the fair market
23 value, if any, of the specific property so used in this State
24 or on the selling price of the property purchased at retail.
25 For purposes of this Section "fair market value" means the

1 price at which property would change hands between a willing
2 buyer and a willing seller, neither being under any compulsion
3 to buy or sell and both having reasonable knowledge of the
4 relevant facts. The fair market value shall be established by
5 Illinois sales by the taxpayer of the same property as that
6 functionally used or consumed, or if there are no such sales by
7 the taxpayer, then comparable sales or purchases of property of
8 like kind and character in Illinois.

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

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

16 With respect to gasohol, the tax imposed by this Act
17 applies to (i) 70% of the proceeds of sales made on or after
18 January 1, 1990, and before July 1, 2003, (ii) 80% of the
19 proceeds of sales made on or after July 1, 2003 and on or
20 before December 31, 2013, and (iii) 100% of the proceeds of
21 sales made thereafter. If, at any time, however, the tax under
22 this Act on sales of gasohol is imposed at the rate of 1.25%,
23 then the tax imposed by this Act applies to 100% of the
24 proceeds of sales of gasohol made during that time.

25 With respect to majority blended ethanol fuel, the tax
26 imposed by this Act does not apply to the proceeds of sales

1 made on or after July 1, 2003 and on or before December 31,
2 2013 but applies to 100% of the proceeds of sales made
3 thereafter.

4 With respect to biodiesel blends with no less than 1% and
5 no more than 10% biodiesel, the tax imposed by this Act applies
6 to (i) 80% of the proceeds of sales made on or after July 1,
7 2003 and on or before December 31, 2013 and (ii) 100% of the
8 proceeds of sales made thereafter. If, at any time, however,
9 the tax under this Act on sales of biodiesel blends with no
10 less than 1% and no more than 10% biodiesel is imposed at the
11 rate of 1.25%, then the tax imposed by this Act applies to 100%
12 of the proceeds of sales of biodiesel blends with no less than
13 1% and no more than 10% biodiesel made during that time.

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

19 With respect to food for human consumption that is to be
20 consumed off the premises where it is sold (other than
21 alcoholic beverages, soft drinks, and food that has been
22 prepared for immediate consumption) and prescription and
23 nonprescription medicines, drugs, medical appliances,
24 modifications to a motor vehicle for the purpose of rendering
25 it usable by a disabled person, and insulin, urine testing
26 materials, syringes, and needles used by diabetics, for human

1 use, the tax is imposed at the rate of 1%. For the purposes of
2 this Section, until September 1, 2009: the term "soft drinks"
3 means any complete, finished, ready-to-use, non-alcoholic
4 drink, whether carbonated or not, including but not limited to
5 soda water, cola, fruit juice, vegetable juice, carbonated
6 water, and all other preparations commonly known as soft drinks
7 of whatever kind or description that are contained in any
8 closed or sealed bottle, can, carton, or container, regardless
9 of size; but "soft drinks" does not include coffee, tea,
10 non-carbonated water, infant formula, milk or milk products as
11 defined in the Grade A Pasteurized Milk and Milk Products Act,
12 or drinks containing 50% or more natural fruit or vegetable
13 juice.

14 Notwithstanding any other provisions of this Act,
15 beginning September 1, 2009, "soft drinks" means non-alcoholic
16 beverages that contain natural or artificial sweeteners. "Soft
17 drinks" do not include beverages that contain milk or milk
18 products, soy, rice or similar milk substitutes, or greater
19 than 50% of vegetable or fruit juice by volume.

20 Until August 1, 2009, and notwithstanding any other
21 provisions of this Act, "food for human consumption that is to
22 be consumed off the premises where it is sold" includes all
23 food sold through a vending machine, except soft drinks, and
24 food products that are dispensed hot from a vending machine,
25 regardless of the location of the vending machine. Beginning
26 August 1, 2009, and notwithstanding any other provisions of

1 this Act, "food for human consumption that is to be consumed
2 off the premises where it is sold" includes all food sold
3 through a vending machine, except soft drinks, candy, and food
4 products that are dispensed hot from a vending machine,
5 regardless of the location of the vending machine.

6 Notwithstanding any other provisions of this Act,
7 beginning September 1, 2009, "food for human consumption that
8 is to be consumed off the premises where it is sold" does not
9 include candy. For purposes of this Section, "candy" means a
10 preparation of sugar, honey, or other natural or artificial
11 sweeteners in combination with chocolate, fruits, nuts or other
12 ingredients or flavorings in the form of bars, drops, or
13 pieces. "Candy" does not include any preparation that contains
14 flour or requires refrigeration.

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

1 label includes:

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

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

6 If the property that is purchased at retail from a retailer
7 is acquired outside Illinois and used outside Illinois before
8 being brought to Illinois for use here and is taxable under
9 this Act, the "selling price" on which the tax is computed
10 shall be reduced by an amount that represents a reasonable
11 allowance for depreciation for the period of prior out-of-state
12 use.

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

15 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

16 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
17 and trailers that are required to be registered with an agency
18 of this State, each retailer required or authorized to collect
19 the tax imposed by this Act shall pay to the Department the
20 amount of such tax (except as otherwise provided) at the time
21 when he is required to file his return for the period during
22 which such tax was collected, less a discount of 2.1% prior to
23 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
24 per calendar year, whichever is greater, which is allowed to
25 reimburse the retailer for expenses incurred in collecting the

1 tax, keeping records, preparing and filing returns, remitting
2 the tax and supplying data to the Department on request. In the
3 case of retailers who report and pay the tax on a transaction
4 by transaction basis, as provided in this Section, such
5 discount shall be taken with each such tax remittance instead
6 of when such retailer files his periodic return. A retailer
7 need not remit that part of any tax collected by him to the
8 extent that he is required to remit and does remit the tax
9 imposed by the Retailers' Occupation Tax Act, with respect to
10 the sale of the same property.

11 Where such tangible personal property is sold under a
12 conditional sales contract, or under any other form of sale
13 wherein the payment of the principal sum, or a part thereof, is
14 extended beyond the close of the period for which the return is
15 filed, the retailer, in collecting the tax (except as to motor
16 vehicles, watercraft, aircraft, and trailers that are required
17 to be registered with an agency of this State), may collect for
18 each tax return period, only the tax applicable to that part of
19 the selling price actually received during such tax return
20 period.

21 Except as provided in this Section, on or before the
22 twentieth day of each calendar month, such retailer shall file
23 a return for the preceding calendar month. Such return shall be
24 filed on forms prescribed by the Department and shall furnish
25 such information as the Department may reasonably require.

26 The Department may require returns to be filed on a

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

7 1. The name of the seller;

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

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

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

18 5. The amount of tax due;

19 5-5. The signature of the taxpayer; and

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

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

26 Beginning October 1, 1993, a taxpayer who has an average

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

25 Before August 1 of each year beginning in 1993, the
26 Department shall notify all taxpayers required to make payments

1 by electronic funds transfer. All taxpayers required to make
2 payments by electronic funds transfer shall make those payments
3 for a minimum of one year beginning on October 1.

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

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

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

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

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

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

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

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

4 If any such payment provided for in this Section exceeds
5 the taxpayer's liabilities under this Act, the Retailers'
6 Occupation Tax Act, the Service Occupation Tax Act and the
7 Service Use Tax Act, as shown by an original monthly return,
8 the Department shall issue to the taxpayer a credit memorandum
9 no later than 30 days after the date of payment, which
10 memorandum may be submitted by the taxpayer to the Department
11 in payment of tax liability subsequently to be remitted by the
12 taxpayer to the Department or be assigned by the taxpayer to a
13 similar taxpayer under this Act, the Retailers' Occupation Tax
14 Act, the Service Occupation Tax Act or the Service Use Tax Act,
15 in accordance with reasonable rules and regulations to be
16 prescribed by the Department, except that if such excess
17 payment is shown on an original monthly return and is made
18 after December 31, 1986, no credit memorandum shall be issued,
19 unless requested by the taxpayer. If no such request is made,
20 the taxpayer may credit such excess payment against tax
21 liability subsequently to be remitted by the taxpayer to the
22 Department under this Act, the Retailers' Occupation Tax Act,
23 the Service Occupation Tax Act or the Service Use Tax Act, in
24 accordance with reasonable rules and regulations prescribed by
25 the Department. If the Department subsequently determines that
26 all or any part of the credit taken was not actually due to the

1 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
2 be reduced by 2.1% or 1.75% of the difference between the
3 credit taken and that actually due, and the taxpayer shall be
4 liable for penalties and interest on such difference.

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

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

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

25 Notwithstanding any other provision in this Act concerning
26 the time within which a retailer may file his return, in the

1 case of any retailer who ceases to engage in a kind of business
2 which makes him responsible for filing returns under this Act,
3 such retailer shall file a final return under this Act with the
4 Department not more than one month after discontinuing such
5 business.

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

1 and Safety Act, a personal watercraft, or any boat equipped
2 with an inboard motor.

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

24 The transaction reporting return in the case of watercraft
25 and aircraft must show the name and address of the seller; the
26 name and address of the purchaser; the amount of the selling

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

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

26 With each such transaction reporting return, the retailer

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

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

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

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

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

1 deduction under this Act upon refunding such tax to the
2 purchaser.

3 Any retailer filing a return under this Section shall also
4 include (for the purpose of paying tax thereon) the total tax
5 covered by such return upon the selling price of tangible
6 personal property purchased by him at retail from a retailer,
7 but as to which the tax imposed by this Act was not collected
8 from the retailer filing such return, and such retailer shall
9 remit the amount of such tax to the Department when filing such
10 return.

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

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

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

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

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

13 Beginning January 1, 1990, each month the Department shall
14 pay into the State and Local Sales Tax Reform Fund, a special
15 fund in the State Treasury, 20% of the net revenue realized for
16 the preceding month from the 6.25% general rate on the selling
17 price of tangible personal property, other than tangible
18 personal property which is purchased outside Illinois at retail
19 from a retailer and which is titled or registered by an agency
20 of this State's government.

21 Beginning August 1, 2000, each month the Department shall
22 pay into the State and Local Sales Tax Reform Fund 100% of the
23 net revenue realized for the preceding month from the 1.25%
24 rate on the selling price of motor fuel and gasohol. Beginning
25 September 1, 2010, each month the Department shall pay into the
26 State and Local Sales Tax Reform Fund 100% of the net revenue

1 realized for the preceding month from the 1.25% rate on the
2 selling price of sales tax holiday items.

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

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

17 Of the remainder of the moneys received by the Department
18 pursuant to this Act, (a) 1.75% thereof shall be paid into the
19 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
20 and after July 1, 1989, 3.8% thereof shall be paid into the
21 Build Illinois Fund; provided, however, that if in any fiscal
22 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
23 may be, of the moneys received by the Department and required
24 to be paid into the Build Illinois Fund pursuant to Section 3
25 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
26 Act, Section 9 of the Service Use Tax Act, and Section 9 of the

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

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

1 pursuant to this Act and required to be deposited into the
 2 Build Illinois Fund are subject to the pledge, claim and charge
 3 set forth in Section 12 of the Build Illinois Bond Act.

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

	Fiscal Year	Total Deposit
17	1993	\$0
18	1994	53,000,000
19	1995	58,000,000
20	1996	61,000,000
21	1997	64,000,000
22	1998	68,000,000
23	1999	71,000,000
24	2000	75,000,000
25	2001	80,000,000

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

23 each fiscal year
24 thereafter that bonds
25 are outstanding under
26 Section 13.2 of the

1 Metropolitan Pier and
2 Exposition Authority Act,
3 but not after fiscal year 2042.

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

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

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

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

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

25 Net revenue realized for a month shall be the revenue
26 collected by the State pursuant to this Act, less the amount

1 paid out during that month as refunds to taxpayers for
2 overpayment of liability.

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

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

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

14 (35 ILCS 120/2-8 new)

15 Sec. 2-8. 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 2-10 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 writing
2 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 120/2-10)

21 Sec. 2-10. 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 gross receipts from sales of tangible personal property made in
24 the course of business.

25 Beginning on July 1, 2000 and through December 31, 2000,

1 with respect to motor fuel, as defined in Section 1.1 of the
2 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
3 the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

7 Within 14 days after the effective date of this amendatory
8 Act of the 91st General Assembly, each retailer of motor fuel
9 and gasohol shall cause the following notice to be posted in a
10 prominently visible place on each retail dispensing device that
11 is used to dispense motor fuel or gasohol in the State of
12 Illinois: "As of July 1, 2000, the State of Illinois has
13 eliminated the State's share of sales tax on motor fuel and
14 gasohol through December 31, 2000. The price on this pump
15 should reflect the elimination of the tax." The notice shall be
16 printed in bold print on a sign that is no smaller than 4
17 inches by 8 inches. The sign shall be clearly visible to
18 customers. Any retailer who fails to post or maintain a
19 required sign through December 31, 2000 is guilty of a petty
20 offense for which the fine shall be \$500 per day per each
21 retail premises where a violation occurs.

22 With respect to gasohol, as defined in the Use Tax Act, the
23 tax imposed by this Act applies to (i) 70% of the proceeds of
24 sales made on or after January 1, 1990, and before July 1,
25 2003, (ii) 80% of the proceeds of sales made on or after July
26 1, 2003 and on or before December 31, 2013, and (iii) 100% of

1 the proceeds of sales made thereafter. If, at any time,
2 however, the tax under this Act on sales of gasohol, as defined
3 in the Use Tax Act, is imposed at the rate of 1.25%, then the
4 tax imposed by this Act applies to 100% of the proceeds of
5 sales of gasohol made during that time.

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

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

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

1 applies to 100% of the proceeds of sales made thereafter.

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

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

1 products, soy, rice or similar milk substitutes, or greater
2 than 50% of vegetable or fruit juice by volume.

3 Until August 1, 2009, and notwithstanding any other
4 provisions of this Act, "food for human consumption that is to
5 be consumed off the premises where it is sold" includes all
6 food sold through a vending machine, except soft drinks⁷ and
7 food products that are dispensed hot from a vending machine,
8 regardless of the location of the vending machine. Beginning
9 August 1, 2009, and notwithstanding any other provisions of
10 this Act, "food for human consumption that is to be consumed
11 off the premises where it is sold" includes all food sold
12 through a vending machine, except soft drinks, candy, and food
13 products that are dispensed hot from a vending machine,
14 regardless of the location of the vending machine.

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

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

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

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

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

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

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

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

23 1. The name of the seller;

24 2. His residence address and the address of his
25 principal place of business and the address of the

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

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

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

14 5. Deductions allowed by law;

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

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

20 8. The amount of tax due;

21 9. The signature of the taxpayer; and

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

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

1 due on the return shall be deemed assessed.

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

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

26 The Department may require returns to be filed on a

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

7 1. The name of the seller;

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

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

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

18 5. The amount of tax due; and

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

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

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

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

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

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

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

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

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

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

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

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

1 requirements of this Section.

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

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

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

26 Such quarter annual and annual returns, as to form and

1 substance, shall be subject to the same requirements as monthly
2 returns.

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

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

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

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

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

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

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

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

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

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

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

1 required) in support of such purchaser's application for an
2 Illinois certificate or other evidence of title or registration
3 to such tangible personal property.

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

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

1 the tax directly to the Department, he shall pay the tax in the
2 same amount and in the same form in which it would be remitted
3 if the tax had been remitted to the Department by the retailer.

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

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

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

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

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

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

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

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

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

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

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

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

16 The provisions of this paragraph apply on and after October
17 1, 2001. Without regard to whether a taxpayer is required to
18 make quarter monthly payments as specified above, any taxpayer
19 who is required by Section 2d of this Act to collect and remit
20 prepaid taxes and has collected prepaid taxes that average in
21 excess of \$20,000 per month during the preceding 4 complete
22 calendar quarters shall file a return with the Department as
23 required by Section 2f and shall make payments to the
24 Department on or before the 7th, 15th, 22nd and last day of the
25 month during which the liability is incurred. Each payment
26 shall be in an amount equal to 22.5% of the taxpayer's actual

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

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

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

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

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

1 drinks and food which has been prepared for immediate
2 consumption) and prescription and nonprescription medicines,
3 drugs, medical appliances and insulin, urine testing
4 materials, syringes and needles used by diabetics.

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

10 Beginning August 1, 2000, each month the Department shall
11 pay into the County and Mass Transit District Fund 20% of the
12 net revenue realized for the preceding month from the 1.25%
13 rate on the selling price of motor fuel and gasohol. Beginning
14 September 1, 2010, each month the Department shall pay into the
15 County and Mass Transit District Fund 20% of the net revenue
16 realized for the preceding month from the 1.25% rate on the
17 selling price of sales tax holiday items.

18 Beginning January 1, 1990, each month the Department shall
19 pay into the Local Government Tax Fund 16% of the net revenue
20 realized for the preceding month from the 6.25% general rate on
21 the selling price of tangible personal property.

22 Beginning August 1, 2000, each month the Department shall
23 pay into the Local Government Tax Fund 80% of the net revenue
24 realized for the preceding month from the 1.25% rate on the
25 selling price of motor fuel and gasohol. Beginning September 1,
26 2010, each month the Department shall pay into the Local

1 Government Tax Fund 80% of the net revenue realized for the
2 preceding month from the 1.25% rate on the selling price of
3 sales tax holiday items.

4 Beginning October 1, 2009, each month the Department shall
5 pay into the Capital Projects Fund an amount that is equal to
6 an amount estimated by the Department to represent 80% of the
7 net revenue realized for the preceding month from the sale of
8 candy, grooming and hygiene products, and soft drinks that had
9 been taxed at a rate of 1% prior to September 1, 2009 but that
10 is now taxed at 6.25%.

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

1 be immediately paid into the Build Illinois Fund from other
2 moneys received by the Department pursuant to the Tax Acts; the
3 "Annual Specified Amount" means the amounts specified below for
4 fiscal years 1986 through 1993:

5	Fiscal Year	Annual Specified Amount
6	1986	\$54,800,000
7	1987	\$76,650,000
8	1988	\$80,480,000
9	1989	\$88,510,000
10	1990	\$115,330,000
11	1991	\$145,470,000
12	1992	\$182,730,000
13	1993	\$206,520,000;

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

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

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

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

23	Fiscal Year	Total
		Deposit
24	1993	\$0
25	1994	53,000,000

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

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

4 each fiscal year

5 thereafter that bonds

6 are outstanding under

7 Section 13.2 of the

8 Metropolitan Pier and

9 Exposition Authority Act,

10 but not after fiscal year 2042.

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

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

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

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 with the receipt of the first report of
10 taxes paid by an eligible business and continuing for a 25-year
11 period, the Department shall each month pay into the Energy
12 Infrastructure Fund 80% of the net revenue realized from the
13 6.25% general rate on the selling price of Illinois-mined coal
14 that was sold to an eligible business. For purposes of this
15 paragraph, the term "eligible business" means a new electric
16 generating facility certified pursuant to Section 605-332 of
17 the Department of Commerce and Economic Opportunity Law of the
18 Civil Administrative Code of Illinois.

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

25 The Department may, upon separate written notice to a
26 taxpayer, require the taxpayer to prepare and file with the

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

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

- 25 (i) Until January 1, 1994, the taxpayer shall be liable
26 for a penalty equal to 1/6 of 1% of the tax due from such

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

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

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

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

21 As soon as possible after the first day of each month, upon
22 certification of the Department of Revenue, the Comptroller
23 shall order transferred and the Treasurer shall transfer from
24 the General Revenue Fund to the Motor Fuel Tax Fund an amount
25 equal to 1.7% of 80% of the net revenue realized under this Act
26 for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required and shall not be made.

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

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

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

1 Any person who fails to file a report required by this Section
2 commits a business offense and is subject to a fine not to
3 exceed \$250.

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

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

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.