



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB1661

Introduced 2/20/2015, by Sen. Chapin Rose

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-10	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-10	
35 ILCS 120/3	from Ch. 120, par. 442
425 ILCS 35/2	from Ch. 127 1/2, par. 128
425 ILCS 35/2.2	

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, beginning on January 1, 2016, in addition to all other rates of tax imposed under the Acts, a tax of 3.75% is imposed on the selling price of D.O.T. Class C common fireworks. Provides that "D.O.T. Class C common fireworks" has the meaning ascribed to it in the Pyrotechnic Use Act. Provides that, beginning on January 1, 2016, each month the Department shall pay into the Fire Prevention Fund 50% of the net revenue realized for the preceding month from the tax on the selling price of D.O.T. Class C common fireworks. Amends the Pyrotechnic Use Act. Provides that D.O.T. Class C common fireworks may only be purchased by individuals over the age of 18. Provides that the provision prohibiting the sale and use of fireworks does not apply to D.O.T. Class C common fireworks. Provides that fireworks may only be discharged by individuals over the age of 18. Effective immediately.

LRB099 10941 MGM 31284 b

1 AN ACT concerning fireworks.

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

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

6 (35 ILCS 105/3-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this
8 Section, the tax imposed by this Act is at the rate of 6.25% of
9 either the selling price or the fair market value, if any, of
10 the tangible personal property. In all cases where property
11 functionally used or consumed is the same as the property that
12 was purchased at retail, then the tax is imposed on the selling
13 price of the property. In all cases where property functionally
14 used or consumed is a by-product or waste product that has been
15 refined, manufactured, or produced from property purchased at
16 retail, then the tax is imposed on the lower of the fair market
17 value, if any, of the specific property so used in this State
18 or on the selling price of the property purchased at retail.
19 For purposes of this Section "fair market value" means the
20 price at which property would change hands between a willing
21 buyer and a willing seller, neither being under any compulsion
22 to buy or sell and both having reasonable knowledge of the
23 relevant facts. The fair market value shall be established by

1 Illinois sales by the taxpayer of the same property as that
2 functionally used or consumed, or if there are no such sales by
3 the taxpayer, then comparable sales or purchases of property of
4 like kind and character in Illinois.

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

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

12 With respect to gasohol, the tax imposed by this Act
13 applies to (i) 70% of the proceeds of sales made on or after
14 January 1, 1990, and before July 1, 2003, (ii) 80% of the
15 proceeds of sales made on or after July 1, 2003 and on or
16 before December 31, 2018, and (iii) 100% of the proceeds of
17 sales made thereafter. If, at any time, however, the tax under
18 this Act on sales of gasohol is imposed at the rate of 1.25%,
19 then the tax imposed by this Act applies to 100% of the
20 proceeds of sales of gasohol made during that time.

21 With respect to majority blended ethanol fuel, the tax
22 imposed by this Act does not apply to the proceeds of sales
23 made on or after July 1, 2003 and on or before December 31,
24 2018 but applies to 100% of the proceeds of sales made
25 thereafter.

26 With respect to biodiesel blends with no less than 1% and

1 no more than 10% biodiesel, the tax imposed by this Act applies
2 to (i) 80% of the proceeds of sales made on or after July 1,
3 2003 and on or before December 31, 2018 and (ii) 100% of the
4 proceeds of sales made thereafter. If, at any time, however,
5 the tax under this Act on sales of biodiesel blends with no
6 less than 1% and no more than 10% biodiesel is imposed at the
7 rate of 1.25%, then the tax imposed by this Act applies to 100%
8 of the proceeds of sales of biodiesel blends with no less than
9 1% and no more than 10% biodiesel made during that time.

10 With respect to 100% biodiesel and biodiesel blends with
11 more than 10% but no more than 99% biodiesel, the tax imposed
12 by this Act does not apply to the proceeds of sales made on or
13 after July 1, 2003 and on or before December 31, 2018 but
14 applies to 100% of the proceeds of sales made thereafter.

15 With respect to food for human consumption that is to be
16 consumed off the premises where it is sold (other than
17 alcoholic beverages, soft drinks, and food that has been
18 prepared for immediate consumption) and prescription and
19 nonprescription medicines, drugs, medical appliances,
20 modifications to a motor vehicle for the purpose of rendering
21 it usable by a disabled person, and insulin, urine testing
22 materials, syringes, and needles used by diabetics, for human
23 use, the tax is imposed at the rate of 1%. For the purposes of
24 this Section, until September 1, 2009: the term "soft drinks"
25 means any complete, finished, ready-to-use, non-alcoholic
26 drink, whether carbonated or not, including but not limited to

1 soda water, cola, fruit juice, vegetable juice, carbonated
2 water, and all other preparations commonly known as soft drinks
3 of whatever kind or description that are contained in any
4 closed or sealed bottle, can, carton, or container, regardless
5 of size; but "soft drinks" does not include coffee, tea,
6 non-carbonated water, infant formula, milk or milk products as
7 defined in the Grade A Pasteurized Milk and Milk Products Act,
8 or drinks containing 50% or more natural fruit or vegetable
9 juice.

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

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

1 regardless of the location of the vending machine.

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

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

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

25 (B) A statement of the "active ingredient(s)" with a
26 list of those ingredients contained in the compound,

1 substance or preparation.

2 Beginning on the effective date of this amendatory Act of
3 the 98th General Assembly, "prescription and nonprescription
4 medicines and drugs" includes medical cannabis purchased from a
5 registered dispensing organization under the Compassionate Use
6 of Medical Cannabis Pilot Program Act.

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

14 Beginning on January 1, 2016, in addition to all other
15 rates of tax imposed under this Act, a tax of 3.75% is imposed
16 on the selling price of D.O.T. Class C common fireworks.
17 "D.O.T. Class C common fireworks" has the meaning ascribed to
18 it in the Pyrotechnic Use Act.

19 (Source: P.A. 97-636, eff. 6-1-12; 98-122, eff. 1-1-14.)

20 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

21 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
22 and trailers that are required to be registered with an agency
23 of this State, each retailer required or authorized to collect
24 the tax imposed by this Act shall pay to the Department the
25 amount of such tax (except as otherwise provided) at the time

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 If the retailer is otherwise required to file a monthly or
26 quarterly return and if the retailer's average monthly tax

1 liability to the Department does not exceed \$50, the Department
2 may authorize his returns to be filed on an annual basis, with
3 the return for a given year being due by January 20 of the
4 following year.

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

8 Notwithstanding any other provision in this Act concerning
9 the time within which a retailer may file his return, in the
10 case of any retailer who ceases to engage in a kind of business
11 which makes him responsible for filing returns under this Act,
12 such retailer shall file a final return under this Act with the
13 Department not more than one month after discontinuing such
14 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 or trailer retailer for the purpose
26 of resale or (ii) a retailer of aircraft, watercraft, motor

1 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 3-55 of this
4 Act, then that seller may report the transfer of all the
5 aircraft, watercraft, motor vehicles or trailers involved in
6 that 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 The transaction reporting return in the case of motor
13 vehicles or trailers that are required to be registered with an
14 agency of this State, shall be the same document as the Uniform
15 Invoice referred to in Section 5-402 of the Illinois Vehicle
16 Code and must show the name and address of the seller; the name
17 and address of the purchaser; the amount of the selling price
18 including the amount allowed by the retailer for traded-in
19 property, if any; the amount allowed by the retailer for the
20 traded-in tangible personal property, if any, to the extent to
21 which Section 2 of this Act allows an exemption for the value
22 of traded-in property; the balance payable after deducting such
23 trade-in allowance from the total selling price; the amount of
24 tax due from the retailer with respect to such transaction; the
25 amount of tax collected from the purchaser by the retailer on
26 such transaction (or satisfactory evidence that such tax is not

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

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

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

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

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

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

1 paid the proper tax (if tax is due) to the retailer. The
2 Department shall adopt appropriate rules to carry out the
3 mandate of this paragraph.

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

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

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

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

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

26 Where the retailer has more than one business registered

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

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

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

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, 20% of the net revenue realized for
25 the preceding month from the 6.25% general rate on the selling
26 price of tangible personal property, other than tangible

1 personal property which is purchased outside Illinois at retail
2 from a retailer and which is titled or registered by an agency
3 of this State's government.

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

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

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

26 Beginning July 1, 2011, each month the Department shall pay

1 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue
2 realized for the preceding month from the 6.25% general rate on
3 the selling price of sorbents used in Illinois in the process
4 of sorbent injection as used to comply with the Environmental
5 Protection Act or the federal Clean Air Act, but the total
6 payment into the Clean Air Act (CAA) Permit Fund under this Act
7 and the Retailers' Occupation Tax Act shall not exceed
8 \$2,000,000 in any fiscal year.

9 Beginning on January 1, 2016, each month the Department
10 shall pay into the Fire Prevention Fund 50% of the net revenue
11 realized for the preceding month from the 3.75% tax on the
12 selling price of D.O.T. Class C common fireworks.

13 Beginning July 1, 2013, each month the Department shall pay
14 into the Underground Storage Tank Fund from the proceeds
15 collected under this Act, the Service Use Tax Act, the Service
16 Occupation Tax Act, and the Retailers' Occupation Tax Act an
17 amount equal to the average monthly deficit in the Underground
18 Storage Tank Fund during the prior year, as certified annually
19 by the Illinois Environmental Protection Agency, but the total
20 payment into the Underground Storage Tank Fund under this Act,
21 the Service Use Tax Act, the Service Occupation Tax Act, and
22 the Retailers' Occupation Tax Act shall not exceed \$18,000,000
23 in any State fiscal year. As used in this paragraph, the
24 "average monthly deficit" shall be equal to the difference
25 between the average monthly claims for payment by the fund and
26 the average monthly revenues deposited into the fund, excluding

1 payments made pursuant to this paragraph.

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

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

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

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

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

1	2018	210,000,000
2	2019	221,000,000
3	2020	233,000,000
4	2021	246,000,000
5	2022	260,000,000
6	2023	275,000,000
7	2024	275,000,000
8	2025	275,000,000
9	2026	279,000,000
10	2027	292,000,000
11	2028	307,000,000
12	2029	322,000,000
13	2030	338,000,000
14	2031	350,000,000
15	2032	350,000,000

16 and
17 each fiscal year
18 thereafter that bonds
19 are outstanding under
20 Section 13.2 of the
21 Metropolitan Pier and
22 Exposition Authority Act,
23 but not after fiscal year 2060.

24 Beginning July 20, 1993 and in each month of each fiscal
25 year thereafter, one-eighth of the amount requested in the
26 certificate of the Chairman of the Metropolitan Pier and

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

11 Subject to payment of amounts into the Build Illinois Fund
12 and the McCormick Place Expansion Project Fund pursuant to the
13 preceding paragraphs or in any amendments thereto hereafter
14 enacted, beginning July 1, 1993 and ending on September 30,
15 2013, the Department shall each month pay into the Illinois Tax
16 Increment Fund 0.27% of 80% of the net revenue realized for the
17 preceding month from the 6.25% general rate on the selling
18 price of tangible personal property.

19 Subject to payment of amounts into the Build Illinois Fund
20 and the McCormick Place Expansion Project Fund pursuant to the
21 preceding paragraphs or in any amendments thereto hereafter
22 enacted, beginning with the receipt of the first report of
23 taxes paid by an eligible business and continuing for a 25-year
24 period, the Department shall each month pay into the Energy
25 Infrastructure Fund 80% of the net revenue realized from the
26 6.25% general rate on the selling price of Illinois-mined coal

1 that was sold to an eligible business. For purposes of this
2 paragraph, the term "eligible business" means a new electric
3 generating facility certified pursuant to Section 605-332 of
4 the Department of Commerce and Economic Opportunity Law of the
5 Civil Administrative Code of Illinois.

6 Subject to payment of amounts into the Build Illinois Fund,
7 the McCormick Place Expansion Project Fund, the Illinois Tax
8 Increment Fund, and the Energy Infrastructure Fund pursuant to
9 the preceding paragraphs or in any amendments to this Section
10 hereafter enacted, beginning on the first day of the first
11 calendar month to occur on or after the effective date of this
12 amendatory Act of the 98th General Assembly, each month, from
13 the collections made under Section 9 of the Use Tax Act,
14 Section 9 of the Service Use Tax Act, Section 9 of the Service
15 Occupation Tax Act, and Section 3 of the Retailers' Occupation
16 Tax Act, the Department shall pay into the Tax Compliance and
17 Administration Fund, to be used, subject to appropriation, to
18 fund additional auditors and compliance personnel at the
19 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
20 the cash receipts collected during the preceding fiscal year by
21 the Audit Bureau of the Department under the Use Tax Act, the
22 Service Use Tax Act, the Service Occupation Tax Act, the
23 Retailers' Occupation Tax Act, and associated local occupation
24 and use taxes administered by the Department.

25 Of the remainder of the moneys received by the Department
26 pursuant to this Act, 75% thereof shall be paid into the State

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

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

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

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

23 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,
24 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;
25 98-756, eff. 7-16-14; 98-1098, eff. 8-26-14.)

1 Section 10. The Service Use Tax Act is amended by changing
2 Sections 3-10 and 9 as follows:

3 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

4 Sec. 3-10. Rate of tax. Unless otherwise provided in this
5 Section, the tax imposed by this Act is at the rate of 6.25% of
6 the selling price of tangible personal property transferred as
7 an incident to the sale of service, but, for the purpose of
8 computing this tax, in no event shall the selling price be less
9 than the cost price of the property to the serviceman.

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

14 With respect to gasohol, as defined in the Use Tax Act, the
15 tax imposed by this Act applies to (i) 70% of the selling price
16 of property transferred as an incident to the sale of service
17 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
18 of the selling price of property transferred as an incident to
19 the sale of service on or after July 1, 2003 and on or before
20 December 31, 2018, and (iii) 100% of the selling price
21 thereafter. If, at any time, however, the tax under this Act on
22 sales of gasohol, as defined in the Use Tax Act, is imposed at
23 the rate of 1.25%, then the tax imposed by this Act applies to
24 100% of the proceeds of sales of gasohol made during that time.

25 With respect to majority blended ethanol fuel, as defined

1 in the Use Tax Act, the tax imposed by this Act does not apply
2 to the selling price of property transferred as an incident to
3 the sale of service on or after July 1, 2003 and on or before
4 December 31, 2018 but applies to 100% of the selling price
5 thereafter.

6 With respect to biodiesel blends, as defined in the Use Tax
7 Act, with no less than 1% and no more than 10% biodiesel, the
8 tax imposed by this Act applies to (i) 80% of the selling price
9 of property transferred as an incident to the sale of service
10 on or after July 1, 2003 and on or before December 31, 2018 and
11 (ii) 100% of the proceeds of the selling price thereafter. If,
12 at any time, however, the tax under this Act on sales of
13 biodiesel blends, as defined in the Use Tax Act, with no less
14 than 1% and no more than 10% biodiesel is imposed at the rate
15 of 1.25%, then the tax imposed by this Act applies to 100% of
16 the proceeds of sales of biodiesel blends with no less than 1%
17 and no more than 10% biodiesel made during that time.

18 With respect to 100% biodiesel, as defined in the Use Tax
19 Act, and biodiesel blends, as defined in the Use Tax Act, with
20 more than 10% but no more than 99% biodiesel, the tax imposed
21 by this Act does not apply to the proceeds of the selling price
22 of property transferred as an incident to the sale of service
23 on or after July 1, 2003 and on or before December 31, 2018 but
24 applies to 100% of the selling price thereafter.

25 At the election of any registered serviceman made for each
26 fiscal year, sales of service in which the aggregate annual

1 cost price of tangible personal property transferred as an
2 incident to the sales of service is less than 35%, or 75% in
3 the case of servicemen transferring prescription drugs or
4 servicemen engaged in graphic arts production, of the aggregate
5 annual total gross receipts from all sales of service, the tax
6 imposed by this Act shall be based on the serviceman's cost
7 price of the tangible personal property transferred as an
8 incident to the sale of those services.

9 The tax shall be imposed at the rate of 1% on food prepared
10 for immediate consumption and transferred incident to a sale of
11 service subject to this Act or the Service Occupation Tax Act
12 by an entity licensed under the Hospital Licensing Act, the
13 Nursing Home Care Act, the ID/DD Community Care Act, the
14 Specialized Mental Health Rehabilitation Act of 2013, or the
15 Child Care Act of 1969. The tax shall also be imposed at the
16 rate of 1% on food for human consumption that is to be consumed
17 off the premises where it is sold (other than alcoholic
18 beverages, soft drinks, and food that has been prepared for
19 immediate consumption and is not otherwise included in this
20 paragraph) and prescription and nonprescription medicines,
21 drugs, medical appliances, modifications to a motor vehicle for
22 the purpose of rendering it usable by a disabled person, and
23 insulin, urine testing materials, syringes, and needles used by
24 diabetics, for human use. For the purposes of this Section,
25 until September 1, 2009: the term "soft drinks" means any
26 complete, finished, ready-to-use, non-alcoholic drink, whether

1 carbonated or not, including but not limited to soda water,
2 cola, fruit juice, vegetable juice, carbonated water, and all
3 other preparations commonly known as soft drinks of whatever
4 kind or description that are contained in any closed or sealed
5 bottle, can, carton, or container, regardless of size; but
6 "soft drinks" does not include coffee, tea, non-carbonated
7 water, infant formula, milk or milk products as defined in the
8 Grade A Pasteurized Milk and Milk Products Act, or drinks
9 containing 50% or more natural fruit or vegetable juice.

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

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

1 regardless of the location of the vending machine.

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

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

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

25 (B) A statement of the "active ingredient(s)" with a
26 list of those ingredients contained in the compound,

1 substance or preparation.

2 Beginning on January 1, 2014 (the effective date of Public
3 Act 98-122), "prescription and nonprescription medicines and
4 drugs" includes medical cannabis purchased from a registered
5 dispensing organization under the Compassionate Use of Medical
6 Cannabis Pilot Program Act.

7 Beginning on January 1, 2016, in addition to all other
8 rates of tax imposed under this Act, a tax of 3.75% is imposed
9 on the selling price of D.O.T. Class C common fireworks.
10 "D.O.T. Class C common fireworks" has the meaning ascribed to
11 it in the Pyrotechnic Use Act.

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

19 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,
20 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; 98-756,
21 eff. 7-16-14.)

22 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

23 Sec. 9. Each serviceman required or authorized to collect
24 the tax herein imposed shall pay to the Department the amount
25 of such tax (except as otherwise provided) at the time when he

1 is required to file his return for the period during which such
2 tax was collected, less a discount of 2.1% prior to January 1,
3 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
4 year, whichever is greater, which is allowed to reimburse the
5 serviceman for expenses incurred in collecting the tax, keeping
6 records, preparing and filing returns, remitting the tax and
7 supplying data to the Department on request. The Department may
8 disallow the discount for servicemen whose certificate of
9 registration is revoked at the time the return is filed, but
10 only if the Department's decision to revoke the certificate of
11 registration has become final. A serviceman need not remit that
12 part of any tax collected by him to the extent that he is
13 required to pay and does pay the tax imposed by the Service
14 Occupation Tax Act with respect to his sale of service
15 involving the incidental transfer by him of the same property.

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

23 The Department may require returns to be filed on a
24 quarterly basis. If so required, a return for each calendar
25 quarter shall be filed on or before the twentieth day of the
26 calendar month following the end of such calendar quarter. The

1 taxpayer shall also file a return with the Department for each
2 of the first two months of each calendar quarter, on or before
3 the twentieth day of the following calendar month, stating:

4 1. The name of the seller;

5 2. The address of the principal place of business from
6 which he engages in business as a serviceman in this State;

7 3. The total amount of taxable receipts received by him
8 during the preceding calendar month, including receipts
9 from charge and time sales, but less all deductions allowed
10 by law;

11 4. The amount of credit provided in Section 2d of this
12 Act;

13 5. The amount of tax due;

14 5-5. The signature of the taxpayer; and

15 6. Such other reasonable information as the Department
16 may require.

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

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

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

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

25 Any taxpayer not required to make payments by electronic
26 funds transfer may make payments by electronic funds transfer

1 with the permission of the Department.

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

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

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

10 Where a serviceman collects the tax with respect to the
11 selling price of property which he sells and the purchaser
12 thereafter returns such property and the serviceman refunds the
13 selling price thereof to the purchaser, such serviceman shall
14 also refund, to the purchaser, the tax so collected from the
15 purchaser. When filing his return for the period in which he
16 refunds such tax to the purchaser, the serviceman may deduct
17 the amount of the tax so refunded by him to the purchaser from
18 any other Service Use Tax, Service Occupation Tax, retailers'
19 occupation tax or use tax which such serviceman may be required
20 to pay or remit to the Department, as shown by such return,
21 provided that the amount of the tax to be deducted shall
22 previously have been remitted to the Department by such
23 serviceman. If the serviceman shall not previously have
24 remitted the amount of such tax to the Department, he shall be
25 entitled to no deduction hereunder upon refunding such tax to
26 the purchaser.

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

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

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

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

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

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

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

19 Beginning July 1, 2013, each month the Department shall pay
20 into the Underground Storage Tank Fund from the proceeds
21 collected under this Act, the Use Tax Act, the Service
22 Occupation Tax Act, and the Retailers' Occupation Tax Act an
23 amount equal to the average monthly deficit in the Underground
24 Storage Tank Fund during the prior year, as certified annually
25 by the Illinois Environmental Protection Agency, but the total
26 payment into the Underground Storage Tank Fund under this Act,

1 the Use Tax Act, the Service Occupation Tax Act, and the
2 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in
3 any State fiscal year. As used in this paragraph, the "average
4 monthly deficit" shall be equal to the difference between the
5 average monthly claims for payment by the fund and the average
6 monthly revenues deposited into the fund, excluding payments
7 made pursuant to this paragraph.

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

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

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

21 Subject to payment of amounts into the Build Illinois Fund
22 as provided in the preceding paragraph or in any amendment
23 thereto hereafter enacted, the following specified monthly
24 installment of the amount requested in the certificate of the
25 Chairman of the Metropolitan Pier and Exposition Authority
26 provided under Section 8.25f of the State Finance Act, but not

1 in excess of the sums designated as "Total Deposit", shall be
2 deposited in the aggregate from collections under Section 9 of
3 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
4 9 of the Service Occupation Tax Act, and Section 3 of the
5 Retailers' Occupation Tax Act into the McCormick Place
6 Expansion Project Fund in the specified fiscal years.

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

1	2011	146,000,000
2	2012	153,000,000
3	2013	161,000,000
4	2014	170,000,000
5	2015	179,000,000
6	2016	189,000,000
7	2017	199,000,000
8	2018	210,000,000
9	2019	221,000,000
10	2020	233,000,000
11	2021	246,000,000
12	2022	260,000,000
13	2023	275,000,000
14	2024	275,000,000
15	2025	275,000,000
16	2026	279,000,000
17	2027	292,000,000
18	2028	307,000,000
19	2029	322,000,000
20	2030	338,000,000
21	2031	350,000,000
22	2032	350,000,000

23 and
24 each fiscal year
25 thereafter that bonds
26 are outstanding under

1 Section 13.2 of the
2 Metropolitan Pier and
3 Exposition Authority Act,
4 but not after fiscal year 2060.

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

18 Subject to payment of amounts into the Build Illinois Fund
19 and the McCormick Place Expansion Project Fund pursuant to the
20 preceding paragraphs or in any amendments thereto hereafter
21 enacted, beginning July 1, 1993 and ending on September 30,
22 2013, the Department shall each month pay into the Illinois Tax
23 Increment Fund 0.27% of 80% of the net revenue realized for the
24 preceding month from the 6.25% general rate on the selling
25 price of tangible personal property.

26 Subject to payment of amounts into the Build Illinois Fund

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

13 Subject to payment of amounts into the Build Illinois Fund,
14 the McCormick Place Expansion Project Fund, the Illinois Tax
15 Increment Fund, and the Energy Infrastructure Fund pursuant to
16 the preceding paragraphs or in any amendments to this Section
17 hereafter enacted, beginning on the first day of the first
18 calendar month to occur on or after the effective date of this
19 amendatory Act of the 98th General Assembly, each month, from
20 the collections made under Section 9 of the Use Tax Act,
21 Section 9 of the Service Use Tax Act, Section 9 of the Service
22 Occupation Tax Act, and Section 3 of the Retailers' Occupation
23 Tax Act, the Department shall pay into the Tax Compliance and
24 Administration Fund, to be used, subject to appropriation, to
25 fund additional auditors and compliance personnel at the
26 Department of Revenue, an amount equal to 1/12 of 5% of 80% of

1 the cash receipts collected during the preceding fiscal year by
2 the Audit Bureau of the Department under the Use Tax Act, the
3 Service Use Tax Act, the Service Occupation Tax Act, the
4 Retailers' Occupation Tax Act, and associated local occupation
5 and use taxes administered by the Department.

6 Beginning on January 1, 2016, each month the Department
7 shall pay into the Fire Prevention Fund 50% of the net revenue
8 realized for the preceding month from the 3.75% tax on the
9 selling price of D.O.T. Class C common fireworks.

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

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

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

1 overpayment of liability.

2 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
3 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;
4 98-1098, eff. 8-26-14.)

5 Section 15. The Service Occupation Tax Act is amended by
6 changing Sections 3-10 and 9 as follows:

7 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

8 Sec. 3-10. Rate of tax. Unless otherwise provided in this
9 Section, the tax imposed by this Act is at the rate of 6.25% of
10 the "selling price", as defined in Section 2 of the Service Use
11 Tax Act, of the tangible personal property. For the purpose of
12 computing this tax, in no event shall the "selling price" be
13 less than the cost price to the serviceman of the tangible
14 personal property transferred. The selling price of each item
15 of tangible personal property transferred as an incident of a
16 sale of service may be shown as a distinct and separate item on
17 the serviceman's billing to the service customer. If the
18 selling price is not so shown, the selling price of the
19 tangible personal property is deemed to be 50% of the
20 serviceman's entire billing to the service customer. When,
21 however, a serviceman contracts to design, develop, and produce
22 special order machinery or equipment, the tax imposed by this
23 Act shall be based on the serviceman's cost price of the
24 tangible personal property transferred incident to the

1 completion of the contract.

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

6 With respect to gasohol, as defined in the Use Tax Act, the
7 tax imposed by this Act shall apply to (i) 70% of the cost
8 price of property transferred as an incident to the sale of
9 service on or after January 1, 1990, and before July 1, 2003,
10 (ii) 80% of the selling price of property transferred as an
11 incident to the sale of service on or after July 1, 2003 and on
12 or before December 31, 2018, and (iii) 100% of the cost price
13 thereafter. If, at any time, however, the tax under this Act on
14 sales of gasohol, as defined in the Use Tax Act, is imposed at
15 the rate of 1.25%, then the tax imposed by this Act applies to
16 100% of the proceeds of sales of gasohol made during that time.

17 With respect to majority blended ethanol fuel, as defined
18 in the Use Tax Act, the tax imposed by this Act does not apply
19 to the selling price of property transferred as an incident to
20 the sale of service on or after July 1, 2003 and on or before
21 December 31, 2018 but applies to 100% of the selling price
22 thereafter.

23 With respect to biodiesel blends, as defined in the Use Tax
24 Act, with no less than 1% and no more than 10% biodiesel, the
25 tax imposed by this Act applies to (i) 80% of the selling price
26 of property transferred as an incident to the sale of service

1 on or after July 1, 2003 and on or before December 31, 2018 and
2 (ii) 100% of the proceeds of the selling price thereafter. If,
3 at any time, however, the tax under this Act on sales of
4 biodiesel blends, as defined in the Use Tax Act, with no less
5 than 1% and no more than 10% biodiesel is imposed at the rate
6 of 1.25%, then the tax imposed by this Act applies to 100% of
7 the proceeds of sales of biodiesel blends with no less than 1%
8 and no more than 10% biodiesel made during that time.

9 With respect to 100% biodiesel, as defined in the Use Tax
10 Act, and biodiesel blends, as defined in the Use Tax Act, with
11 more than 10% but no more than 99% biodiesel material, the tax
12 imposed by this Act does not apply to the proceeds of the
13 selling price of property transferred as an incident to the
14 sale of service on or after July 1, 2003 and on or before
15 December 31, 2018 but applies to 100% of the selling price
16 thereafter.

17 At the election of any registered serviceman made for each
18 fiscal year, sales of service in which the aggregate annual
19 cost price of tangible personal property transferred as an
20 incident to the sales of service is less than 35%, or 75% in
21 the case of servicemen transferring prescription drugs or
22 servicemen engaged in graphic arts production, of the aggregate
23 annual total gross receipts from all sales of service, the tax
24 imposed by this Act shall be based on the serviceman's cost
25 price of the tangible personal property transferred incident to
26 the sale of those services.

1 The tax shall be imposed at the rate of 1% on food prepared
2 for immediate consumption and transferred incident to a sale of
3 service subject to this Act or the Service Occupation Tax Act
4 by an entity licensed under the Hospital Licensing Act, the
5 Nursing Home Care Act, the ID/DD Community Care Act, the
6 Specialized Mental Health Rehabilitation Act of 2013, or the
7 Child Care Act of 1969. The tax shall also be imposed at the
8 rate of 1% on food for human consumption that is to be consumed
9 off the premises where it is sold (other than alcoholic
10 beverages, soft drinks, and food that has been prepared for
11 immediate consumption and is not otherwise included in this
12 paragraph) and prescription and nonprescription medicines,
13 drugs, medical appliances, modifications to a motor vehicle for
14 the purpose of rendering it usable by a disabled person, and
15 insulin, urine testing materials, syringes, and needles used by
16 diabetics, for human use. For the purposes of this Section,
17 until September 1, 2009: the term "soft drinks" means any
18 complete, finished, ready-to-use, non-alcoholic drink, whether
19 carbonated or not, including but not limited to soda water,
20 cola, fruit juice, vegetable juice, carbonated water, and all
21 other preparations commonly known as soft drinks of whatever
22 kind or description that are contained in any closed or sealed
23 can, carton, or container, regardless of size; but "soft
24 drinks" does not include coffee, tea, non-carbonated water,
25 infant formula, milk or milk products as defined in the Grade A
26 Pasteurized Milk and Milk Products Act, or drinks containing

1 50% or more natural fruit or vegetable juice.

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

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

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

1 pieces. "Candy" does not include any preparation that contains
2 flour or requires refrigeration.

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

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

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

20 Beginning on January 1, 2014 (the effective date of Public
21 Act 98-122), "prescription and nonprescription medicines and
22 drugs" includes medical cannabis purchased from a registered
23 dispensing organization under the Compassionate Use of Medical
24 Cannabis Pilot Program Act.

25 Beginning on January 1, 2016, in addition to all other
26 rates of tax imposed under this Act, a tax of 3.75% is imposed

1 on the selling price of D.O.T. Class C common fireworks.
2 "D.O.T. Class C common fireworks" has the meaning ascribed to
3 it in the Pyrotechnic Use Act.

4 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,
5 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; 98-756,
6 eff. 7-16-14.)

7 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

8 Sec. 9. Each serviceman required or authorized to collect
9 the tax herein imposed shall pay to the Department the amount
10 of such tax at the time when he is required to file his return
11 for the period during which such tax was collectible, less a
12 discount of 2.1% prior to January 1, 1990, and 1.75% on and
13 after January 1, 1990, or \$5 per calendar year, whichever is
14 greater, which is allowed to reimburse the serviceman for
15 expenses incurred in collecting the tax, keeping records,
16 preparing and filing returns, remitting the tax and supplying
17 data to the Department on request. The Department may disallow
18 the discount for servicemen whose certificate of registration
19 is revoked at the time the return is filed, but only if the
20 Department's decision to revoke the certificate of
21 registration has become final.

22 Where such tangible personal property is sold under a
23 conditional sales contract, or under any other form of sale
24 wherein the payment of the principal sum, or a part thereof, is
25 extended beyond the close of the period for which the return is

1 filed, the serviceman, in collecting the tax may collect, for
2 each tax return period, only the tax applicable to the part of
3 the selling price actually received during such tax return
4 period.

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

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

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

1 Act;

2 5. The amount of tax due;

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

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

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

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

1 2005 will be disallowed for periods prior to September 1, 2004.
2 No Manufacturer's Purchase Credit may be used after September
3 30, 2003 through August 31, 2004 to satisfy any tax liability
4 imposed under this Act, including any audit liability.

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

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

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

22 Notwithstanding any other provision in this Act concerning
23 the time within which a serviceman may file his return, in the
24 case of any serviceman who ceases to engage in a kind of
25 business which makes him responsible for filing returns under
26 this Act, such serviceman shall file a final return under this

1 Act with the Department not more than 1 month after
2 discontinuing such business.

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

1 funds transfer.

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

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

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

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

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

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

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

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

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

1 needles used by diabetics.

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

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

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

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

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

25 Beginning July 1, 2013, each month the Department shall pay
26 into the Underground Storage Tank Fund from the proceeds

1 collected under this Act, the Use Tax Act, the Service Use Tax
2 Act, and the Retailers' Occupation Tax Act an amount equal to
3 the average monthly deficit in the Underground Storage Tank
4 Fund during the prior year, as certified annually by the
5 Illinois Environmental Protection Agency, but the total
6 payment into the Underground Storage Tank Fund under this Act,
7 the Use Tax Act, the Service Use Tax Act, and the Retailers'
8 Occupation Tax Act shall not exceed \$18,000,000 in any State
9 fiscal year. As used in this paragraph, the "average monthly
10 deficit" shall be equal to the difference between the average
11 monthly claims for payment by the fund and the average monthly
12 revenues deposited into the fund, excluding payments made
13 pursuant to this paragraph.

14 Beginning on January 1, 2016, each month the Department
15 shall pay into the Fire Prevention Fund 50% of the net revenue
16 realized for the preceding month from the 3.75% tax on the
17 selling price of D.O.T. Class C common fireworks.

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

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

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

1 preceding sentence. The moneys received by the Department
2 pursuant to this Act and required to be deposited into the
3 Build Illinois Fund are subject to the pledge, claim and charge
4 set forth in Section 12 of the Build Illinois Bond Act.

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

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

1	2001	80,000,000
2	2002	93,000,000
3	2003	99,000,000
4	2004	103,000,000
5	2005	108,000,000
6	2006	113,000,000
7	2007	119,000,000
8	2008	126,000,000
9	2009	132,000,000
10	2010	139,000,000
11	2011	146,000,000
12	2012	153,000,000
13	2013	161,000,000
14	2014	170,000,000
15	2015	179,000,000
16	2016	189,000,000
17	2017	199,000,000
18	2018	210,000,000
19	2019	221,000,000
20	2020	233,000,000
21	2021	246,000,000
22	2022	260,000,000
23	2023	275,000,000
24	2024	275,000,000
25	2025	275,000,000
26	2026	279,000,000

1	2027	292,000,000
2	2028	307,000,000
3	2029	322,000,000
4	2030	338,000,000
5	2031	350,000,000
6	2032	350,000,000

7 and

8 each fiscal year

9 thereafter that bonds

10 are outstanding under

11 Section 13.2 of the

12 Metropolitan Pier and

13 Exposition Authority Act,

14 but not after fiscal year 2060.

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

1 has been deposited.

2 Subject to payment of amounts into the Build Illinois Fund
3 and the McCormick Place Expansion Project Fund pursuant to the
4 preceding paragraphs or in any amendments thereto hereafter
5 enacted, beginning July 1, 1993 and ending on September 30,
6 2013, the Department shall each month pay into the Illinois Tax
7 Increment Fund 0.27% of 80% of the net revenue realized for the
8 preceding month from the 6.25% general rate on the selling
9 price of tangible personal property.

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

23 Subject to payment of amounts into the Build Illinois Fund,
24 the McCormick Place Expansion Project Fund, the Illinois Tax
25 Increment Fund, and the Energy Infrastructure Fund pursuant to
26 the preceding paragraphs or in any amendments to this Section

1 hereafter enacted, beginning on the first day of the first
2 calendar month to occur on or after the effective date of this
3 amendatory Act of the 98th General Assembly, each month, from
4 the collections made under Section 9 of the Use Tax Act,
5 Section 9 of the Service Use Tax Act, Section 9 of the Service
6 Occupation Tax Act, and Section 3 of the Retailers' Occupation
7 Tax Act, the Department shall pay into the Tax Compliance and
8 Administration Fund, to be used, subject to appropriation, to
9 fund additional auditors and compliance personnel at the
10 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
11 the cash receipts collected during the preceding fiscal year by
12 the Audit Bureau of the Department under the Use Tax Act, the
13 Service Use Tax Act, the Service Occupation Tax Act, the
14 Retailers' Occupation Tax Act, and associated local occupation
15 and use taxes administered by the Department.

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

23 The Department may, upon separate written notice to a
24 taxpayer, require the taxpayer to prepare and file with the
25 Department on a form prescribed by the Department within not
26 less than 60 days after receipt of the notice an annual

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

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

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

1 until such return is filed as required, the penalty to be
2 assessed and collected in the same manner as any other
3 penalty provided for in this Act.

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

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

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

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

26 Net revenue realized for a month shall be the revenue

1 collected by the State pursuant to this Act, less the amount
2 paid out during that month as refunds to taxpayers for
3 overpayment of liability.

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

12 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
13 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;
14 98-1098, eff. 8-26-14.)

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

17 (35 ILCS 120/2-10)

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

22 Beginning on July 1, 2000 and through December 31, 2000,
23 with respect to motor fuel, as defined in Section 1.1 of the
24 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of

1 the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

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

20 With respect to gasohol, as defined in the Use Tax Act, the
21 tax imposed by this Act applies to (i) 70% of the proceeds of
22 sales made on or after January 1, 1990, and before July 1,
23 2003, (ii) 80% of the proceeds of sales made on or after July
24 1, 2003 and on or before December 31, 2018, and (iii) 100% of
25 the proceeds of sales made thereafter. If, at any time,
26 however, the tax under this Act on sales of gasohol, as defined

1 in the Use Tax Act, is imposed at the rate of 1.25%, then the
2 tax imposed by this Act applies to 100% of the proceeds of
3 sales of gasohol made during that time.

4 With respect to majority blended ethanol fuel, as defined
5 in the Use Tax Act, the tax imposed by this Act does not apply
6 to the proceeds of sales made on or after July 1, 2003 and on or
7 before December 31, 2018 but applies to 100% of the proceeds of
8 sales made thereafter.

9 With respect to biodiesel blends, as defined in the Use Tax
10 Act, with no less than 1% and no more than 10% biodiesel, the
11 tax imposed by this Act applies to (i) 80% of the proceeds of
12 sales made on or after July 1, 2003 and on or before December
13 31, 2018 and (ii) 100% of the proceeds of sales made
14 thereafter. If, at any time, however, the tax under this Act on
15 sales of biodiesel blends, as defined in the Use Tax Act, with
16 no less than 1% and no more than 10% biodiesel is imposed at
17 the rate of 1.25%, then the tax imposed by this Act applies to
18 100% of the proceeds of sales of biodiesel blends with no less
19 than 1% and no more than 10% biodiesel made during that time.

20 With respect to 100% biodiesel, as defined in the Use Tax
21 Act, and biodiesel blends, as defined in the Use Tax Act, with
22 more than 10% but no more than 99% biodiesel, the tax imposed
23 by this Act does not apply to the proceeds of sales made on or
24 after July 1, 2003 and on or before December 31, 2018 but
25 applies to 100% of the proceeds of sales made thereafter.

26 With respect to food for human consumption that is to be

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

21 Notwithstanding any other provisions of this Act,
22 beginning September 1, 2009, "soft drinks" means non-alcoholic
23 beverages that contain natural or artificial sweeteners. "Soft
24 drinks" do not include beverages that contain milk or milk
25 products, soy, rice or similar milk substitutes, or greater
26 than 50% of vegetable or fruit juice by volume.

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

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

22 Notwithstanding any other provisions of this Act,
23 beginning September 1, 2009, "nonprescription medicines and
24 drugs" does not include grooming and hygiene products. For
25 purposes of this Section, "grooming and hygiene products"
26 includes, but is not limited to, soaps and cleaning solutions,

1 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
2 lotions and screens, unless those products are available by
3 prescription only, regardless of whether the products meet the
4 definition of "over-the-counter-drugs". For the purposes of
5 this paragraph, "over-the-counter-drug" means a drug for human
6 use that contains a label that identifies the product as a drug
7 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
8 label includes:

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

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

13 Beginning on the effective date of this amendatory Act of
14 the 98th General Assembly, "prescription and nonprescription
15 medicines and drugs" includes medical cannabis purchased from a
16 registered dispensing organization under the Compassionate Use
17 of Medical Cannabis Pilot Program Act.

18 Beginning on January 1, 2016, in addition to all other
19 rates of tax imposed under this Act, a tax of 3.75% is imposed
20 on the selling price of D.O.T. Class C common fireworks.
21 "D.O.T. Class C common fireworks" has the meaning ascribed to
22 it in the Pyrotechnic Use Act.

23 (Source: P.A. 97-636, eff. 6-1-12; 98-122, eff. 1-1-14.)

24 (35 ILCS 120/3) (from Ch. 120, par. 442)

25 Sec. 3. Except as provided in this Section, on or before

1 the twentieth day of each calendar month, every person engaged
2 in the business of selling tangible personal property at retail
3 in this State during the preceding calendar month shall file a
4 return with the Department, stating:

5 1. The name of the seller;

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

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

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

21 5. Deductions allowed by law;

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

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

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

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

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

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

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

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

14 1. The name of the seller;

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

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

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

25 5. The amount of tax due; and

26 6. Such other reasonable information as the Department

1 may require.

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

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

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

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

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

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

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

25 Any taxpayer not required to make payments by electronic
26 funds transfer may make payments by electronic funds transfer

1 with the permission of the Department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 With each such transaction reporting return, the retailer
25 shall remit the proper amount of tax due (or shall submit
26 satisfactory evidence that the sale is not taxable if that is

1 the case), to the Department or its agents, whereupon the
2 Department shall issue, in the purchaser's name, a use tax
3 receipt (or a certificate of exemption if the Department is
4 satisfied that the particular sale is tax exempt) which such
5 purchaser may submit to the agency with which, or State officer
6 with whom, he must title or register the tangible personal
7 property that is involved (if titling or registration is
8 required) in support of such purchaser's application for an
9 Illinois certificate or other evidence of title or registration
10 to such tangible personal property.

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

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

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

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

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

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

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

20 Before October 1, 2000, if the taxpayer's average monthly
21 tax liability to the Department under this Act, the Use Tax
22 Act, the Service Occupation Tax Act, and the Service Use Tax
23 Act, excluding any liability for prepaid sales tax to be
24 remitted in accordance with Section 2d of this Act, was \$10,000
25 or more during the preceding 4 complete calendar quarters, he
26 shall file a return with the Department each month by the 20th

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

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

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

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

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

1 during which such tax liability is incurred began prior to the
2 effective date of this amendatory Act of 1985, each payment
3 shall be in an amount not less than 22.5% of the taxpayer's
4 actual liability under Section 2d. If the month during which
5 such tax liability is incurred begins on or after January 1,
6 1986, each payment shall be in an amount equal to 22.5% of the
7 taxpayer's actual liability for the month or 27.5% of the
8 taxpayer's liability for the same calendar month of the
9 preceding calendar year. If the month during which such tax
10 liability is incurred begins on or after January 1, 1987, each
11 payment shall be in an amount equal to 22.5% of the taxpayer's
12 actual liability for the month or 26.25% of the taxpayer's
13 liability for the same calendar month of the preceding year.
14 The amount of such quarter monthly payments shall be credited
15 against the final tax liability of the taxpayer's return for
16 that month filed under this Section or Section 2f, as the case
17 may be. Once applicable, the requirement of the making of
18 quarter monthly payments to the Department pursuant to this
19 paragraph shall continue until such taxpayer's average monthly
20 prepaid tax collections during the preceding 2 complete
21 calendar quarters is \$25,000 or less. If any such quarter
22 monthly payment is not paid at the time or in the amount
23 required, the taxpayer shall be liable for penalties and
24 interest on such difference, except insofar as the taxpayer has
25 previously made payments for that month in excess of the
26 minimum payments previously due.

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

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

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

1 If a retailer of motor fuel is entitled to a credit under
2 Section 2d of this Act which exceeds the taxpayer's liability
3 to the Department under this Act for the month which the
4 taxpayer is filing a return, the Department shall issue the
5 taxpayer a credit memorandum for the excess.

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

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

21 Beginning August 1, 2000, each month the Department shall
22 pay into the County and Mass Transit District Fund 20% 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 County and Mass Transit District Fund 20% 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.

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

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

22 Beginning July 1, 2011, each month the Department shall pay
23 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue
24 realized for the preceding month from the 6.25% general rate on
25 the selling price of sorbents used in Illinois in the process
26 of sorbent injection as used to comply with the Environmental

1 Protection Act or the federal Clean Air Act, but the total
2 payment into the Clean Air Act (CAA) Permit Fund under this Act
3 and the Use Tax Act shall not exceed \$2,000,000 in any fiscal
4 year.

5 Beginning July 1, 2013, each month the Department shall pay
6 into the Underground Storage Tank Fund from the proceeds
7 collected under this Act, the Use Tax Act, the Service Use Tax
8 Act, and the Service Occupation Tax Act an amount equal to the
9 average monthly deficit in the Underground Storage Tank Fund
10 during the prior year, as certified annually by the Illinois
11 Environmental Protection Agency, but the total payment into the
12 Underground Storage Tank Fund under this Act, the Use Tax Act,
13 the Service Use Tax Act, and the Service Occupation Tax Act
14 shall not exceed \$18,000,000 in any State fiscal year. As used
15 in this paragraph, the "average monthly deficit" shall be equal
16 to the difference between the average monthly claims for
17 payment by the fund and the average monthly revenues deposited
18 into the fund, excluding payments made pursuant to this
19 paragraph.

20 Beginning on January 1, 2016, each month the Department
21 shall pay into the Fire Prevention Fund 50% of the net revenue
22 realized for the preceding month from the 3.75% tax on the
23 selling price of D.O.T. Class C common fireworks.

24 Of the remainder of the moneys received by the Department
25 pursuant to this Act, (a) 1.75% thereof shall be paid into the
26 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on

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

18	Fiscal Year	Annual Specified Amount
19	1986	\$54,800,000
20	1987	\$76,650,000
21	1988	\$80,480,000
22	1989	\$88,510,000
23	1990	\$115,330,000
24	1991	\$145,470,000
25	1992	\$182,730,000
26	1993	\$206,520,000;

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

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

24 Subject to payment of amounts into the Build Illinois Fund
25 as provided in the preceding paragraph or in any amendment
26 thereto hereafter enacted, the following specified monthly

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

	Fiscal Year	Total Deposit
10		
11	1993	\$0
12	1994	53,000,000
13	1995	58,000,000
14	1996	61,000,000
15	1997	64,000,000
16	1998	68,000,000
17	1999	71,000,000
18	2000	75,000,000
19	2001	80,000,000
20	2002	93,000,000
21	2003	99,000,000
22	2004	103,000,000
23	2005	108,000,000
24	2006	113,000,000
25	2007	119,000,000

1	2008	126,000,000
2	2009	132,000,000
3	2010	139,000,000
4	2011	146,000,000
5	2012	153,000,000
6	2013	161,000,000
7	2014	170,000,000
8	2015	179,000,000
9	2016	189,000,000
10	2017	199,000,000
11	2018	210,000,000
12	2019	221,000,000
13	2020	233,000,000
14	2021	246,000,000
15	2022	260,000,000
16	2023	275,000,000
17	2024	275,000,000
18	2025	275,000,000
19	2026	279,000,000
20	2027	292,000,000
21	2028	307,000,000
22	2029	322,000,000
23	2030	338,000,000
24	2031	350,000,000
25	2032	350,000,000
26	and	

1 each fiscal year
2 thereafter that bonds
3 are outstanding under
4 Section 13.2 of the
5 Metropolitan Pier and
6 Exposition Authority Act,
7 but not after fiscal year 2060.

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

21 Subject to payment of amounts into the Build Illinois Fund
22 and the McCormick Place Expansion Project Fund pursuant to the
23 preceding paragraphs or in any amendments thereto hereafter
24 enacted, beginning July 1, 1993 and ending on September 30,
25 2013, the Department shall each month pay into the Illinois Tax
26 Increment Fund 0.27% of 80% of the net revenue realized for the

1 preceding month from the 6.25% general rate on the selling
2 price of tangible personal property.

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

16 Subject to payment of amounts into the Build Illinois Fund,
17 the McCormick Place Expansion Project Fund, the Illinois Tax
18 Increment Fund, and the Energy Infrastructure Fund pursuant to
19 the preceding paragraphs or in any amendments to this Section
20 hereafter enacted, beginning on the first day of the first
21 calendar month to occur on or after the effective date of this
22 amendatory Act of the 98th General Assembly, each month, from
23 the collections made under Section 9 of the Use Tax Act,
24 Section 9 of the Service Use Tax Act, Section 9 of the Service
25 Occupation Tax Act, and Section 3 of the Retailers' Occupation
26 Tax Act, the Department shall pay into the Tax Compliance and

1 Administration Fund, to be used, subject to appropriation, to
2 fund additional auditors and compliance personnel at the
3 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
4 the cash receipts collected during the preceding fiscal year by
5 the Audit Bureau of the Department under the Use Tax Act, the
6 Service Use Tax Act, the Service Occupation Tax Act, the
7 Retailers' Occupation Tax Act, and associated local occupation
8 and use taxes administered by the Department.

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

15 The Department may, upon separate written notice to a
16 taxpayer, require the taxpayer to prepare and file with the
17 Department on a form prescribed by the Department within not
18 less than 60 days after receipt of the notice an annual
19 information return for the tax year specified in the notice.
20 Such annual return to the Department shall include a statement
21 of gross receipts as shown by the retailer's last Federal
22 income tax return. If the total receipts of the business as
23 reported in the Federal income tax return do not agree with the
24 gross receipts reported to the Department of Revenue for the
25 same period, the retailer shall attach to his annual return a
26 schedule showing a reconciliation of the 2 amounts and the

1 reasons for the difference. The retailer's annual return to the
2 Department shall also disclose the cost of goods sold by the
3 retailer during the year covered by such return, opening and
4 closing inventories of such goods for such year, costs of goods
5 used from stock or taken from stock and given away by the
6 retailer during such year, payroll information of the
7 retailer's business during such year and any additional
8 reasonable information which the Department deems would be
9 helpful in determining the accuracy of the monthly, quarterly
10 or annual returns filed by such retailer as provided for in
11 this Section.

12 If the annual information return required by this Section
13 is not filed when and as required, the taxpayer shall be liable
14 as follows:

15 (i) Until January 1, 1994, the taxpayer shall be liable
16 for a penalty equal to $1/6$ of 1% of the tax due from such
17 taxpayer under this Act during the period to be covered by
18 the annual return for each month or fraction of a month
19 until such return is filed as required, the penalty to be
20 assessed and collected in the same manner as any other
21 penalty provided for in this Act.

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

25 The chief executive officer, proprietor, owner or highest
26 ranking manager shall sign the annual return to certify the

1 accuracy of the information contained therein. Any person who
2 willfully signs the annual return containing false or
3 inaccurate information shall be guilty of perjury and punished
4 accordingly. The annual return form prescribed by the
5 Department shall include a warning that the person signing the
6 return may be liable for perjury.

7 The provisions of this Section concerning the filing of an
8 annual information return do not apply to a retailer who is not
9 required to file an income tax return with the United States
10 Government.

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

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

22 For greater simplicity of administration, manufacturers,
23 importers and wholesalers whose products are sold at retail in
24 Illinois by numerous retailers, and who wish to do so, may
25 assume the responsibility for accounting and paying to the
26 Department all tax accruing under this Act with respect to such

1 sales, if the retailers who are affected do not make written
2 objection to the Department to this arrangement.

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

20 Any person engaged in the business of selling tangible
21 personal property at retail as a concessionaire or other type
22 of seller at the Illinois State Fair, county fairs, art shows,
23 flea markets and similar exhibitions or events, or any
24 transient merchants, as defined by Section 2 of the Transient
25 Merchant Act of 1987, may be required to make a daily report of
26 the amount of such sales to the Department and to make a daily

1 payment of the full amount of tax due. The Department shall
2 impose this requirement when it finds that there is a
3 significant risk of loss of revenue to the State at such an
4 exhibition or event. Such a finding shall be based on evidence
5 that a substantial number of concessionaires or other sellers
6 who are not residents of Illinois will be engaging in the
7 business of selling tangible personal property at retail at the
8 exhibition or event, or other evidence of a significant risk of
9 loss of revenue to the State. The Department shall notify
10 concessionaires and other sellers affected by the imposition of
11 this requirement. In the absence of notification by the
12 Department, the concessionaires and other sellers shall file
13 their returns as otherwise required in this Section.

14 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,
15 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;
16 98-756, eff. 7-16-14; 98-1098, eff. 8-26-14.)

17 Section 25. The Pyrotechnic Use Act is amended by changing
18 Sections 2 and 2.2 as follows:

19 (425 ILCS 35/2) (from Ch. 127 1/2, par. 128)

20 Sec. 2. Possession, sale, and use of fireworks. Except for
21 D.O.T. Class C common fireworks and as otherwise ~~as hereinafter~~
22 provided in this Act it shall be unlawful for any person, firm,
23 co-partnership, or corporation to knowingly possess, offer for
24 sale, expose for sale, sell at retail, or use or explode any

1 display fireworks, flame effects, or consumer fireworks;
2 provided that city councils in cities, the president and board
3 of trustees in villages and incorporated towns, and outside the
4 corporate limits of cities, villages and incorporated towns,
5 the county board, shall have power to adopt reasonable rules
6 and regulations for the granting of permits for pyrotechnic and
7 consumer displays. D.O.T. Class C common fireworks may only be
8 purchased by individuals over the age of 18.

9 "D.O.T. Class C common fireworks" means all articles of
10 fireworks as are now or hereafter classified as D.O.T. Class C
11 common fireworks in the regulations of the United States
12 Department of Transportation for transportation of explosive
13 and other dangerous articles.

14 (Source: P.A. 93-263, eff. 7-22-03; 94-658, eff. 1-1-06.)

15 (425 ILCS 35/2.2)

16 Sec. 2.2. Private use. ~~Consumer displays.~~ Fireworks
17 may only be discharged by individuals over the age of 18.

18 ~~Each consumer display shall be handled by a competent~~
19 ~~individual who has received training from a consumer fireworks~~
20 ~~training class approved by the Office of the State Fire~~
21 ~~Marshal. Applications for consumer display permits shall be~~
22 ~~made in writing at least 15 days in advance of the date of the~~
23 ~~display, unless agreed to otherwise by the local jurisdiction~~
24 ~~issuing the permit and the fire chief of the jurisdiction in~~
25 ~~which the display will occur. After a permit has been granted,~~

1 ~~sales, possession, use, and distribution of consumer fireworks~~
2 ~~for display shall be lawful for that purpose only. No permit~~
3 ~~granted hereunder shall be transferable.~~

4 ~~Permits may be granted hereunder to any adult individual~~
5 ~~applying for a permit who provides proof that he or she has~~
6 ~~received the requisite training. The local jurisdiction~~
7 ~~issuing the permit is authorized to conduct a criminal~~
8 ~~background check of the applicant as a condition of issuing a~~
9 ~~permit.~~

10 ~~A permit shall be issued only after inspection of the~~
11 ~~display site by the fire chief providing fire protection~~
12 ~~coverage to the area of display, or his or her designee, to~~
13 ~~determine that the display is in full compliance with the rules~~
14 ~~adopted by the State Fire Marshal. Nothing in this Section~~
15 ~~shall prohibit the issuer of a permit from adopting more~~
16 ~~stringent rules.~~

17 (Source: P.A. 94-658, eff. 1-1-06.)

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.