

1 AN ACT concerning finance.

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

4 ARTICLE 1.

5 Section 1-1. Short title. This Article may be cited as the
6 Targeted Advertising Services Tax Act. References in this
7 Article to "this Act" mean this Article.

8 Section 1-5. Findings and intent. The General Assembly
9 finds and declares the following:

10 (1) Many goods and services that traditionally have
11 been subject to Illinois State and local use and
12 occupation taxes have avoided taxation in the digital era.
13 Many digital transactions are harder to bring into the
14 sales tax base because, instead of paying a monetary fee,
15 customers often barter their personal information for
16 access to digital platforms. This personal information, in
17 turn, is sold for use in targeted advertisements on
18 digital platforms.

19 (2) The value of the consumption provided by digital
20 platforms is typically greater in proportion to the size
21 of the network. The General Assembly finds that the
22 consumption value provided by small networks is

1 negligible, especially when compared to the compliance
2 burden that would be imposed on those digital platforms.

3 Section 1-10. Definitions. As used in this Act:
4 "Department" means the Department of Revenue.

5 "Device" means any medium through which targeted
6 advertising services may be accessed, including stationary or
7 portable computing devices, tablets, phones, and smart
8 devices.

9 "Digital interface" means any type of software, including
10 a website, part of a website, or application, that a
11 user-consumer is able to access with a device.

12 "Gross receipts" means income or revenue from all sources,
13 before any expenses or taxes, computed according to generally
14 accepted accounting principles.

15 "Other comparable advertising services" includes the
16 following targeted advertising services:

- 17 (1) Display advertising;
- 18 (2) Internet programmatic video advertising;
- 19 (3) Multichannel video programming distributor
20 advertising conveyed via cable television, satellite
21 television, or a digital fiber-optic distribution system;
- 22 (4) Advertising on social media;
- 23 (5) Native advertising; and
- 24 (6) Incentivized or rewarded advertising.

25 "News media entity" means an entity engaged primarily in

1 the business of newsgathering, reporting, or publishing
2 articles or commentary about news, current events, culture, or
3 other matters of public interest. "News media entity" does not
4 include an entity that is primarily an aggregator or
5 re-publisher of third-party content.

6 "Person" means any natural individual, firm, partnership,
7 association, corporation, limited liability company, or trust;
8 any receiver, executor, trustee, guardian, or other
9 representative appointed by order of any court; or any other
10 entity. Unless expressly provided otherwise, the term "person"
11 does not include a governmental entity or a unit or
12 instrumentality of a governmental entity.

13 "Programmatic" means capable of automating advertising
14 services. Programmatic targeted advertising services may be
15 sold in real time by employing technology that uses
16 computer-driven or software-driven workflow or machine
17 learning algorithms to deliver advertisements to

18 user-consumers based on user-advertiser-defined parameters,
19 including precise user-consumer targeting data such as
20 user-consumer:
21 (1) Geographic locations;
22 (2) Types of devices;
23 (3) Recent online search behaviors;
24 (4) Browsing history;
25 (5) Shopping history;
26 (6) Purchase history; and

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1 (7) Biographical and other information compiled in
2 databases.

3 "Provider of Targeted Advertising Services" or "Provider"
4 means a person engaged in the occupation of providing targeted
5 advertising services whose annual cumulative gross receipts
6 from targeted advertising services provided in this State
7 during the previous 12-month period exceed \$1,000,000.

8 Each provider of targeted advertising services in this
9 State shall determine on a quarterly basis, ending on the last
10 day of March, June, September, and December, whether the
11 provider met the \$1,000,000 cumulative gross receipts
12 threshold for the preceding 12-month period. If the provider
13 meets the threshold for a 12-month period, the provider is
14 subject to the tax imposed under this Act and is required to
15 remit the tax and file returns for one year. At the end of that
16 one-year period, the provider of targeted advertising services
17 shall determine whether it met the threshold during the
18 preceding 12-month period. If the provider meets the threshold
19 for the preceding 12-month period, they are required to
20 continue to remit the tax imposed under this Act and file
21 returns for the subsequent year. If at the end of a one-year
22 period a provider of targeted advertising services determines
23 that it did not meet the threshold during the preceding
24 12-month period, that provider shall subsequently determine on
25 a quarterly basis, ending on the last day of March, June,
26 September, and December, whether the provider meets the

1 threshold for the preceding 12-month period.

2 "Targeted advertising services" means any programmatic
3 written, oral, or graphic statement or representation conveyed
4 through a digital interface or any other method of delivery,
5 including, but not limited to, banner advertising, search
6 engine advertising, interstitial advertising, and other
7 comparable advertising services that use personal information
8 about the people to whom the ads are being served. "Targeted
9 advertising services" does not include advertisement services
10 on digital interfaces owned or operated by or operated on
11 behalf of a news media entity.

12 "User-advertiser" means a person who contracts with a
13 provider for targeted advertising services.

14 "User-consumer" or "user" means an individual or any other
15 person to whom targeted advertisements are conveyed.

16 "User-consumer contact information" means a
17 user-consumer's email address, telephone number, home address,
18 mailing address, or any credit card information necessary to
19 engage in a sales transaction.

20 "User-consumer data" means any information that
21 identifies, relates to, describes, is capable of being
22 associated with, or could reasonably be linked with a
23 user-consumer, whether directly submitted to the provider or
24 user-advertiser by the user-consumer or derived from other
25 sources.

1 Section 1-15. Tax imposed.

2 (a) Beginning January 1, 2027, a tax is imposed upon
3 providers of targeted advertising services at the rate of 10%
4 of the gross receipts derived from such targeted advertising
5 services provided in this State.

6 (b) The impact of the tax levied by this Act is imposed

7 upon providers engaged in the business of providing targeted
8 advertising services to user-advertisers in this State.

9 (c) Targeted advertising services are provided in this
10 State when the location of the user-consumer of the targeted
11 advertisement is in this State pursuant to Section 1-20.

12 (d) The tax imposed in this Section shall be in addition to
13 all other occupation or privilege taxes imposed by the State
14 of Illinois or by any municipal corporation or political
15 subdivision thereof.

16 (e) The tax imposed in this Section is not imposed upon the
17 privilege of engaging in any business in Interstate Commerce
18 or otherwise, which business may not, under the Constitution
19 and Statutes of the United States, be made the subject of
20 taxation by this State.

21 (f) The tax imposed in this Section is not imposed on the
22 providing of targeted advertising services to the United
23 States or any agency or instrumentality thereof.

24 (g) The tax imposed in this Section is not imposed on the
25 providing of targeted advertising services if such services
26 are sold to a user-advertiser that is exempt from use tax by

1 operation of federal law.

2 Section 1-20. Determining the location of a user-consumer.

3 (a) The location of a user-consumer shall be determined by
4 the provider of targeted advertising services using the
5 totality of the user-consumer contact information within the
6 provider's possession or control, including both technical
7 information and nontechnical information included in the
8 contract for digital advertising services.

9 (b) There shall be a rebuttable presumption that a
10 user-consumer is located in this State if the user-consumer
11 contact information associated with a device or account on
12 record with or available to a provider indicates an Illinois
13 home address, an Illinois mailing address, or an Illinois
14 internet protocol address or other user-consumer data showing
15 "place of primary use" in Illinois as defined in the Mobile
16 Telecommunications Sourcing Conformity Act. The burden of
17 proving that a user-consumer is not located in this State is on

18 the provider. For administrative ease, a provider may create
19 reasonable categorization standards to use in analyzing
20 user-consumer data to determine if a user-consumer is located
21 in Illinois; however, its reliance on such standards does not
22 alleviate the provider's burden of proof.

23 (c) Business entities that are part of a controlled group
24 of corporations as defined in Section 1563(a) of the Internal
25 Revenue Code shall be treated as a single entity for purposes

1 of meeting the definition of a provider under this Act.

2 Section 1-25. Registration of providers of targeted
3 advertising services.

4 (a) It is unlawful for any person to engage in business as
5 a provider of targeted advertising services in this State on
6 or after January 1, 2027, without a certificate of
7 registration from the Department. A provider of targeted
8 advertising services shall register with the Department.
9 Application for a certificate of registration shall be made to
10 the Department, by electronic means, in the form and manner
11 prescribed by the Department and shall contain any reasonable
12 information the Department may require. The application shall
13 contain an acceptance of responsibility signed by the person
14 or persons who will be responsible for filing returns and
15 payment of the tax due under this Act. Upon receipt of the
16 application for a certificate of registration in proper form
17 and manner, the Department shall issue the applicant a
18 certificate of registration.

19 (b) Certificates of registration issued by the Department
20 under this Act shall be valid for a period not to exceed one
21 year after issuance unless sooner revoked, canceled, or
22 suspended as provided in this Act. A certificate of
23 registration shall automatically be renewed, subject to
24 revocation as provided by this Act, for an additional one year
25 from the date of its expiration unless otherwise notified by

1 the Department as provided in this Section.

2 (c) The Department may refuse to issue, reissue, or renew
3 a certificate of registration to any applicant for the reasons
4 set forth in Section 2505-380 of the Department of Revenue Law
5 of the Civil Administrative Code of Illinois. No certificate
6 of registration shall be issued to any person who is in default
7 to the State of Illinois for moneys due under this Act or any
8 other tax Act administered by the Department.

9 (d) Any person aggrieved by any decision of the Department
10 under this Section may, within 30 days after notice of such
11 decision, protest and request a hearing, whereupon the
12 Department shall give notice to such person of the time and
13 place fixed for such hearing and shall hold a hearing in
14 conformity with the provisions of this Act and then issue its
15 final administrative decision in the matter to such person. In
16 the absence of such a protest within 30 days, the Department's
17 decision shall become final without any further determination
18 being made or notice given. The term "administrative decision"
19 is as defined in Section 3-101 of the Code of Civil Procedure.

20 Section 1-30. Revocation of certificate of registration.

21 (a) The Department may, after notice and a hearing as
22 provided herein, revoke the certificate of registration of any
23 person who violates any of the provisions of this Act or
24 regulations promulgated pursuant to this Act. Before
25 revocation of a certificate of registration, the Department

1 shall, within 90 days after noncompliance and at least 7 days
2 prior to the date of the hearing, give the person determined to
3 be noncompliant notice in writing of the proposed revocation,
4 and on the date designated shall conduct a hearing. The lapse
5 of such 90-day period shall not preclude the Department from
6 conducting revocation proceedings at a later date if
7 necessary. Any hearing held under this Section shall be
8 conducted by the Director or by any officer or employee of the
9 Department designated by the Director.

10 (b) The Department may revoke a certificate of

11 registration for the reasons set forth in Section 2505-380 of
12 the Department of Revenue Law of the Civil Administrative Code
13 of Illinois.

14 (c) When conducting any such proceeding, the Director or
15 any officer or employee of the Department designated by the
16 Director may administer oaths, and the Department may procure
17 by its subpoena the attendance of witnesses and, by its
18 subpoena duces tecum, the production of relevant books and
19 papers. Any circuit court, upon application either of the
20 provider or of the Department, may, by order duly entered,
21 require the attendance of witnesses and the production of
22 relevant books and papers before the Department in any hearing
23 relating to the revocation of certificates of registration.
24 Upon refusal or neglect to obey the order of the court, the
25 court may compel obedience thereof by proceedings for
26 contempt.

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1 (d) The Department may, by application to any circuit
2 court, obtain an injunction requiring any person who engages
3 in business as a provider under this Act to obtain a
4 certificate of registration. Upon refusal or neglect to obey
5 the order of the court, the court may compel obedience by
6 proceedings for contempt.

7 Section 1-35. Return and payment.

8 (a) Each provider of targeted advertising services shall
9 make a return to the Department on or before the 20th day of
10 each month for the preceding calendar month stating the
11 following:

12 (1) the provider's name;

13 (2) the address of the provider's principal place of
14 business and the address of the principal place of
15 business (if that is a different address) from which the
16 provider engages in the business of providing targeted
17 advertising services, including the location of the
18 provider's servers, subject to tax under this Act;

19 (3) the total gross receipts received by the provider
20 during the preceding calendar month for all targeted
21 advertising services provided that are subject to tax

22 under this Act;
23 (4) the amount of tax due, computed upon item (3) at
24 the rate stated in Section 1-15;
25 (5) deductions allowed by law;

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1 (6) the signature of the provider; and
2 (7) such other information as the Department may
3 reasonably require.
4 (b) All returns required to be filed and payments required
5 to be made under this Act shall be by electronic means in the
6 form and manner authorized by the Department.
7 Any amount that is required to be shown or reported on any
8 return or other document under this Act shall, if such amount
9 is not a whole-dollar amount, be increased to the nearest
10 whole-dollar amount if the fractional part of a dollar is
11 \$0.50 or more and decreased to the nearest whole-dollar amount
12 if the fractional part of a dollar is less than \$0.50. If a
13 total amount of less than \$1 is payable, refundable, or
14 creditable, such amount shall be disregarded if it is less
15 than \$0.50 and shall be increased to \$1 if it is \$0.50 or more.
16 (c) The provider making the return provided for in this
17 Section shall, at the time of making such return, pay to the
18 Department the amount of tax imposed by this Act, less a
19 discount of 1.75% but not to exceed \$1,000 per return period,
20 which is allowed to reimburse the provider for the expenses
21 incurred in keeping records, preparing and filing returns,
22 remitting the tax, and supplying data to the Department upon
23 request. No discount may be claimed by a provider on returns
24 not timely filed and for taxes not timely remitted. No
25 discount may be claimed by a provider for any return that is
26 not filed electronically. No discount may be claimed by a

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1 provider for any payment that is not made electronically.
2 (d) A provider of targeted advertising services who ceases

3 to engage in the kind of business which makes the person
4 responsible for filing returns under this Act shall file a
5 final return under this Act with the Department not more than
6 one month after discontinuing such business.

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

25 (f) If a provider fails to sign a return within 30 days
26 after the proper notice and demand for signature by the

1 Department is received by the provider, the return shall be
2 considered valid, and any amount shown to be due on the return
3 shall be deemed assessed.

4 Section 1-40. Books and records. Every provider required
5 to file a return under Section 1-35 of this Act shall keep
6 books, records, papers, and other documents that adequately
7 reflect the targeted advertising services provided in this
8 State, including the information used in calculating the gross
9 receipts from providing targeted advertising services in this
10 State and the amount of tax due. Providers are required to
11 maintain records as needed to determine the location of a
12 user-consumer pursuant to Section 1-20 of this Act. The
13 Department may adopt rules that establish requirements,

14 including record forms and formats, for records required to be
15 kept and maintained by providers.

16 Books, records, papers, and documents that are required by
17 this Section to be kept shall, at all times during the usual
18 business hours of the day, be subject to inspection by the
19 Department or its duly authorized agents and employees. The
20 books, records, papers, and documents for any period with
21 respect to which the Department is authorized to issue a
22 notice of tax liability shall be preserved until the
23 expiration of that period.

24 Section 1-45. Deposit of proceeds from targeted

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1 advertising services tax. The moneys received by the
2 Department from the tax imposed by this Act shall be deposited
3 into the General Revenue Fund.

4 Section 1-50. Penalties. Any provider who fails to file a
5 return, or who violates any other provision of this Act, or who
6 fails to keep books and records as required by this Act, or who
7 files a fraudulent return, or who willfully violates any rule
8 or regulation of the Department for the administration and
9 enforcement of the provisions of this Act, or any officer or
10 agent of a corporation or manager, member, or agent of a
11 limited liability company subject to this Act who signs a
12 fraudulent return filed on behalf of such corporation or
13 limited liability company, or any accountant or other agent
14 who knowingly enters false information on the return of any
15 taxpayer under this Act is guilty of a Class 3 felony.

16 A prosecution for any act in violation of this Section may
17 be commenced at any time within 5 years of the commission of
18 that act.

19 Section 1-55. Department administration and enforcement.
20 The Department shall have full power to administer and enforce
21 this Act, to collect all taxes and penalties due hereunder, to
22 dispose of taxes and penalties so collected in the manner
23 hereinafter provided, and to determine all rights to credit
24 memoranda, arising on account of the erroneous payment of tax

1 or penalty hereunder.

2 In the administration of, and compliance with, this Act,
3 the Department and persons who are subject to this Act shall
4 have the same rights, remedies, privileges, immunities,
5 powers, and duties, and be subject to the same conditions,
6 restrictions, limitations, penalties, and definitions of
7 terms, and employ the same modes of procedure, as are
8 prescribed in Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i,
9 5j, 6b, 6c, 8, 9, 10, and 11 of the Retailers' Occupation Tax
10 Act and all of the provisions of the Uniform Penalty and
11 Interest Act, which are not inconsistent with this Act, as
12 fully as if those provisions were set forth herein. References
13 in the incorporated Sections of the Retailers' Occupation Tax
14 Act to retailers, to sellers, or to persons engaged in the
15 business of selling tangible personal property mean providers
16 of targeted advertising services when used in this Act.
17 References in the incorporated Sections to sales of tangible
18 personal property mean targeted advertising services subject
19 to tax under this Act when used in this Act.

20 Section 1-60. Illinois Administrative Procedure Act
21 expressly adopted. The Illinois Administrative Procedure Act
22 is hereby expressly adopted and shall apply to all
23 administrative rules and procedures of the Department of
24 Revenue under this Act, except that: (1) paragraph (b) of
25 Section 5-10 of the Illinois Administrative Procedure Act does

1 not apply to final orders, decisions, and opinions of the
2 Department; and (2) subparagraph (a)(ii) of Section 5-10 of
3 the Illinois Administrative Procedure Act does not apply to
4 forms established by the Department for use under this
5 Article.

6 Section 1-65. Rulemaking. The Department may adopt rules
7 in accordance with the Illinois Administrative Procedure Act
8 and prescribe forms relating to the administration and
9 enforcement of this Act as it deems appropriate.

10 Section 1-70. Home rule limitation. The taxation of the
11 occupation of providing targeted advertising services is an
12 exclusive power and function of the State. A home rule unit may
13 not impose a tax on the occupation of providing targeted
14 advertising services as set out in this Act. This Section is a
15 denial and limitation of home rule powers and functions under
16 subsection (g) of Section 6 of Article VII of the Illinois
17 Constitution.

18 Section 1-900. The Counties Code is amended by changing
19 Section 5-1009 as follows:

20 (55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

21 Sec. 5-1009. Limitation on home rule powers. Except as
22 provided in Sections 5-1006, 5-1006.5, 5-1006.8, 5-1006.9,

1 5-1007, and 5-1008, on and after September 1, 1990, no home
2 rule county has the authority to impose, pursuant to its home
3 rule authority, a retailers' occupation tax, service
4 occupation tax, use tax, sales tax, or other tax on the use,
5 sale, or purchase of tangible personal property based on the
6 gross receipts from such sales or the selling or purchase
7 price of said tangible personal property. Notwithstanding the
8 foregoing, this Section does not preempt any home rule imposed
9 tax such as the following: (1) a tax on alcoholic beverages,
10 whether based on gross receipts, volume sold, or any other
11 measurement; (2) a tax based on the number of units of
12 cigarettes or tobacco products; (3) a tax, however measured,
13 based on the use of a hotel or motel room or similar facility;
14 (4) a tax, however measured, on the sale or transfer of real
15 property; (5) a tax, however measured, on lease receipts; (6)
16 a tax on food prepared for immediate consumption and on
17 alcoholic beverages sold by a business which provides for on
18 premise consumption of said food or alcoholic beverages; or

19 (7) other taxes not based on the selling or purchase price or
20 gross receipts from the use, sale, or purchase of tangible
21 personal property. This Section does not preempt a home rule
22 county from imposing a tax, however measured, on the use, for
23 consideration, of a parking lot, garage, or other parking
24 facility.

25 On and after December 1, 2019, no home rule county has the
26 authority to impose, pursuant to its home rule authority, a

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1 tax, however measured, on sales of aviation fuel, as defined
2 in Section 3 of the Retailers' Occupation Tax Act, unless the
3 tax revenue is expended for airport-related purposes. For
4 purposes of this Section, "airport-related purposes" has the
5 meaning ascribed in Section 6z-20.2 of the State Finance Act.
6 Aviation fuel shall be excluded from tax only for so long as
7 the revenue use requirements of 49 U.S.C. 47017(b) and 49
8 U.S.C. 47133 are binding on the county.

9 On and after the effective date of this amendatory Act of
10 the 104th General Assembly, no home rule county has the
11 authority to impose, pursuant to its home rule authority, a
12 tax, however measured, on sales of targeted advertising
13 services, as defined in Section 1-10 of the Targeted
14 Advertising Services Tax Act, an occupation tax, use tax,
15 sales tax, or other tax on the use, sale, or purchase of
16 targeted advertising services based on the gross receipts from
17 such sales or the selling or purchase price of said targeted
18 advertising services.

19 This Section is a limitation, pursuant to subsection (g)
20 of Section 6 of Article VII of the Illinois Constitution, on
21 the power of home rule units to tax. The changes made to this
22 Section by Public Act 101-10 are a denial and limitation of
23 home rule powers and functions under subsection (g) of Section
24 6 of Article VII of the Illinois Constitution.

25 (Source: P.A. 103-781, eff. 8-5-24; 104-417, eff. 8-15-25.)

1 Section 1-905. The Illinois Municipal Code is amended by
2 changing Section 8-11-6a as follows:

3 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)
4 Sec. 8-11-6a. Home rule municipalities; preemption of
5 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,
6 8-11-6, 8-11-6b, 8-11-6c, 8-11-23, 8-11-24, and 11-74.3-6 on
7 and after September 1, 1990, no home rule municipality has the
8 authority to impose, pursuant to its home rule authority, a
9 retailer's occupation tax, service occupation tax, use tax,
10 sales tax or other tax on the use, sale or purchase of tangible
11 personal property based on the gross receipts from such sales
12 or the selling or purchase price of said tangible personal
13 property. Notwithstanding the foregoing, this Section does not
14 preempt any home rule imposed tax such as the following: (1) a
15 tax on alcoholic beverages, whether based on gross receipts,
16 volume sold or any other measurement; (2) a tax based on the
17 number of units of cigarettes or tobacco products (provided,
18 however, that a home rule municipality that has not imposed a
19 tax based on the number of units of cigarettes or tobacco
20 products before July 1, 1993, shall not impose such a tax after
21 that date); (3) a tax, however measured, based on the use of a
22 hotel or motel room or similar facility; (4) a tax, however
23 measured, on the sale or transfer of real property; (5) a tax,
24 however measured, on lease receipts; (6) a tax on food
25 prepared for immediate consumption and on alcoholic beverages

1 sold by a business which provides for on premise consumption
2 of said food or alcoholic beverages; or (7) other taxes not
3 based on the selling or purchase price or gross receipts from
4 the use, sale or purchase of tangible personal property. This
5 Section does not preempt a home rule municipality with a
6 population of more than 2,000,000 from imposing a tax, however
7 measured, on the use, for consideration, of a parking lot,
8 garage, or other parking facility. This Section is not
9 intended to affect any existing tax on food and beverages
10 prepared for immediate consumption on the premises where the

11 sale occurs, or any existing tax on alcoholic beverages, or
12 any existing tax imposed on the charge for renting a hotel or
13 motel room, which was in effect January 15, 1988, or any
14 extension of the effective date of such an existing tax by
15 ordinance of the municipality imposing the tax, which
16 extension is hereby authorized, in any non-home rule
17 municipality in which the imposition of such a tax has been
18 upheld by judicial determination, nor is this Section intended
19 to preempt the authority granted by Public Act 85-1006. On and
20 after December 1, 2019, no home rule municipality has the
21 authority to impose, pursuant to its home rule authority, a
22 tax, however measured, on sales of aviation fuel, as defined
23 in Section 3 of the Retailers' Occupation Tax Act, unless the
24 tax is not subject to the revenue use requirements of 49 U.S.C.
25 47107(b) and 49 U.S.C. 47133, or unless the tax revenue is
26 expended for airport-related purposes. For purposes of this

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1 Section, "airport-related purposes" has the meaning ascribed
2 in Section 6z-20.2 of the State Finance Act. Aviation fuel
3 shall be excluded from tax only if, and for so long as, the
4 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
5 47133 are binding on the municipality. On and after the
6 effective date of this amendatory Act of the 104th General
7 Assembly, no home rule municipality has the authority to
8 impose, pursuant to its home rule authority, a tax, however
9 measured, on sales of targeted advertising services, as
10 defined in Section 1-10 of the Targeted Advertising Services
11 Tax Act, an occupation tax, use tax, sales tax, or other tax on
12 the use, sale, or purchase of targeted advertising services
13 based on the gross receipts from such sales or the selling or
14 purchase price of said targeted advertising services. This
15 Section is a limitation, pursuant to subsection (g) of Section
16 6 of Article VII of the Illinois Constitution, on the power of
17 home rule units to tax. The changes made to this Section by
18 Public Act 101-10 are a denial and limitation of home rule
19 powers and functions under subsection (g) of Section 6 of
20 Article VII of the Illinois Constitution.

21 (Source: P.A. 103-781, eff. 8-5-24.)

23 Section 3-5. Short title. This Article may be cited as the
24 Digital Asset Tax Act. References in this Article to "this

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1 Act" mean this Article.

2 Section 3-15. Definitions. In this Act:

3 "Customer" means a person receiving digital asset business
4 activity from a digital asset broker for valuable
5 consideration.

6 "Department" means the Department of Revenue.

7 "Digital asset" has the meaning set forth in Section 1-5
8 of the Digital Assets and Consumer Protection Act.

9 "Digital asset business activity" means any single
10 occurrence of exchanging, transferring, or storing a digital
11 asset as part of a business or on behalf of a customer who has
12 entered into an agreement with a business for the provision of
13 those services.

14 "Digital asset broker" means a person, as defined in
15 Section 6045(c)(1)(D) of the Internal Revenue Code and any
16 regulations as the Secretary of the Treasury may prescribe,
17 who is engaged in the business of providing digital asset
18 business activity to customers in this State.

19 "Digital asset broker maintaining a place of business in
20 this State" means:

21 (1) Any digital asset broker having or maintaining
22 within this State, directly or by a subsidiary, an office,
23 distribution facilities, transmission facilities, sales
24 office, warehouse or other place of business, or any agent
25 or other representative operating within this State under

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1 the authority of the digital asset broker or its

2 subsidiary, irrespective of whether the place of business
3 or agent or other representative is located here
4 permanently or temporarily, or whether the digital asset
5 broker or subsidiary is licensed to do business in this
6 State.

7 (2) Any digital asset broker who is headquartered
8 outside of this State and who sells digital asset business
9 activity to Illinois customers remotely if the digital
10 asset broker's gross receipts from digital asset business
11 activity sales to Illinois customers are \$100,000 or more.

12 The digital asset broker shall determine on a
13 quarterly basis, ending on the last day of March, June,
14 September, and December, whether the digital asset broker
15 meets the threshold in this paragraph (2) for the
16 preceding 12-month period. If the broker meets the
17 threshold for a 12-month period, the broker is considered
18 a digital asset broker maintaining a place of business in
19 this State and is required to collect and remit the tax
20 imposed under this Act and file returns for one year. At
21 the end of the one-year period, the broker shall determine
22 whether the broker met the threshold during the preceding
23 12-month period. If the broker met the threshold for the
24 preceding 12-month period, the broker is considered a
25 broker maintaining a place of business in this State and
26 is required to collect and remit the tax imposed under

1 this Act and file returns for the subsequent year. If, at
2 the end of a one-year period, a broker that was required to
3 collect and remit the tax imposed under this Act
4 determines that the broker did not meet the threshold
5 during the preceding 12-month period, the broker shall
6 subsequently determine on a quarterly basis, ending on the
7 last day of March, June, September, and December, whether
8 the broker meets the threshold for the preceding 12-month
9 period.

10 "Exchange", when used as a verb, means to exchange, buy,
11 sell, trade, or convert, on behalf of a customer, either of the
12 following:

13 (1) a digital asset for fiat currency or one or more

14 forms of digital assets; and
15 (2) fiat currency for one or more forms of digital
16 assets.
17 "Exchange" does not include buying, selling, or trading
18 digital assets for a person's own account in a principal
19 capacity.
20 "Fiat currency" means a medium of exchange or unit of
21 value issued by the United States or a foreign government that
22 is designated as legal tender in its country of issuance.
23 "Person" means any natural individual, firm, partnership,
24 association, corporation, limited liability company, or trust;
25 any receiver, executor, trustee, guardian, or other
26 representative appointed by order of any court; or any other

1 entity. Unless expressly provided otherwise, the term "person"
2 does not include a governmental entity or a unit or
3 instrumentality of a government entity.

4 "Purchase price" means the consideration paid for the
5 purchase of digital asset business activity from a digital
6 asset broker, valued in money, whether received in money or
7 otherwise, including cash, gift cards, credits, and property,
8 and shall be determined without any deduction on account of
9 the cost of materials used, labor or service costs, or any
10 other expense whatsoever. "Purchase price" includes any and
11 all charges that the customer pays related to or incidental to
12 the receipt of digital asset business activity.

13 "Sale" means an agreement between a digital asset broker
14 and a customer for the broker to provide the customer with a
15 digital asset business activity for valuable consideration. If
16 the digital asset business activity is sold as a bundle of
17 separate services, each service shall constitute an individual
18 sale for the purposes of this Act.

19 "Store", "storage", and "storing", except in the phrase
20 "store of value", means to store, hold, or maintain custody or
21 control of a digital asset on behalf of a customer by a digital
22 asset broker.

23 "Transfer" means to transfer or transmit a digital asset
24 on behalf of a customer, including by doing any of the
25 following:

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- 1 storage of another person;
2 (2) moving the digital asset from one account or
3 storage of a customer to another account or storage of the
4 same customer; and
5 (3) relinquishing custody or control of a digital
6 asset to another person.

7 Section 3-20. Tax imposed.

8 (a) Beginning January 1, 2027, a tax is imposed upon the
9 privilege of receiving any digital asset business activity by
10 a customer in this State at the rate of 0.2% of the value of
11 the digital asset to which the digital asset business activity
12 relates. It shall be the duty of the digital asset broker
13 making or effectuating the sale of the digital asset business
14 activity to collect the tax provided by this Section on each
15 sale.

16 (b) The tax imposed in this Section shall be in addition to
17 all other occupation or privilege taxes imposed by the State
18 of Illinois or by any municipal corporation or political
19 subdivision thereof.

20 (c) The tax imposed in this Section is not imposed upon the
21 privilege of engaging in any business in Interstate Commerce
22 or otherwise, which business may not, under the Constitution
23 and Statutes of the United States, be made the subject of
24 taxation by this State.

25 (d) The tax imposed in this Section is not imposed on the

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- 1 providing of services to the United States or any agency or
2 instrumentality thereof.

3 Section 3-25. Sourcing. As used in this Act, the term "in
4 this State" means at a physical location within this State for

5 a sale occurring in person. For a sale occurring
6 electronically or by phone, there shall be a rebuttable
7 presumption that the customer requesting the sale is located
8 in this State if the customer's contact information associated
9 with a device or account on record with or available to a
10 digital asset broker indicates an Illinois home address, an
11 Illinois mailing address, or an Illinois internet protocol
12 address or other data showing "place of primary use" in
13 Illinois, as defined in the Mobile Telecommunications Sourcing
14 Conformity Act. The burden of proving that a customer is not
15 located in this State is on the digital asset broker. For
16 administrative ease, a digital asset broker may create
17 reasonable categorization standards to use in analyzing data
18 to determine if a customer is located in Illinois; however,
19 its reliance on such standards does not alleviate the digital
20 asset broker's burden of proof.

21 Section 3-30. Registration of digital asset brokers.

22 (a) It is unlawful for any person to engage in business as
23 a digital asset broker in this State on or after January 1,
24 2027, without a certificate of registration from the

1 Department. A digital asset broker shall register with the
2 Department. Application for a certificate of registration
3 shall be made to the Department, by electronic means, in the
4 form and manner prescribed by the Department and shall contain
5 any reasonable information the Department may require. The
6 application shall contain an acceptance of responsibility
7 signed by the person or persons who will be responsible for
8 filing returns and payment of the tax due under this Act. Upon
9 receipt of the application for a certificate of registration
10 in proper form and manner, the Department shall issue the
11 applicant a certificate of registration.

12 (b) Certificates of registration issued by the Department
13 under this Act shall be valid for a period not to exceed one
14 year after issuance unless sooner revoked, canceled, or
15 suspended as provided in this Act. A certificate of
16 registration shall automatically be renewed, subject to
17 revocation as provided by this Act, for an additional one year

18 from the date of its expiration unless otherwise notified by
19 the Department as provided in this Section.

20 (c) The Department may refuse to issue, reissue, or renew
21 a certificate of registration to any applicant for the reasons
22 set forth in Section 2505-380 of the Department of Revenue Law
23 of the Civil Administrative Code of Illinois. No certificate
24 of registration shall be issued to any person who is in default
25 to the State of Illinois for moneys due under this Act or any
26 other tax Act administered by the Department.

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1 (d) Any person aggrieved by any decision of the Department
2 under this Section may, within 30 days after notice of such
3 decision, protest and request a hearing, whereupon the
4 Department shall give notice to such person of the time and
5 place fixed for such hearing and shall hold a hearing in
6 conformity with the provisions of this Act and then issue its
7 final administrative decision in the matter to such person. In
8 the absence of such a protest within 30 days, the Department's
9 decision shall become final without any further determination
10 being made or notice given. The term "administrative decision"
11 is as defined in Section 3-101 of the Code of Civil Procedure.

12 Section 3-35. Collection of tax.

13 (a) Any digital asset broker maintaining a place of
14 business in this State shall collect the tax imposed by this
15 Act from the customer at the rate stated in Section 3-20 for
16 the privilege of receiving digital asset business activity in
17 this State and shall remit the tax to the Department as
18 provided in Section 3-40 of this Act. Any such digital asset
19 broker shall be liable for the tax whether or not the tax has
20 been collected by the digital asset broker. To the extent that
21 a digital asset broker that is required to collect the tax
22 imposed by this Act has actually collected that tax, such tax
23 is held in trust for the benefit of the Department.

24 (b) All digital asset business activities provided to a
25 customer that are subject to tax under this Act are presumed

1 subject to tax collection. Digital asset brokers shall collect
2 the tax from customers by adding the tax to the amount of the
3 purchase price received from the customer for the digital
4 asset business activity subject to tax under this Act. The tax
5 imposed by the Act shall, when collected, be stated as a
6 distinct item separate and apart from the purchase price of
7 the digital asset business activity subject to tax under this
8 Act. However, if it is not possible to state the tax
9 separately, the Department may, by rule, exempt the purchase
10 from this requirement if customers are notified by language on
11 the invoice or other written notification that the tax is
12 included in the purchase price.

13 (c) Every digital asset broker shall, when collecting the
14 tax as provided in Section 3-20 of this Act from the customer,
15 give to the customer (if demanded by the customer) a receipt
16 for the tax in the manner and form prescribed by the
17 Department. The receipt shall be sufficient to relieve the
18 customer from further liability for the tax to which the
19 receipt may refer.

20 (d) The tax imposed by this Act shall constitute a debt of
21 the customer to the digital asset broker who provides such
22 taxable activity until paid, and, if unpaid, is recoverable at
23 law in the same manner as the original charge for such taxable
24 activity.

25 (e) If any digital asset broker erroneously collects tax
26 or collects more from the customer than the customer's

1 liability for the sale, the customer shall have a legal right
2 to claim a refund of such amount from such digital asset
3 broker. However, if such amount is not refunded to the
4 customer for any reason, the digital asset broker is liable to
5 pay such amount to the Department.

6 (f) Any person purchasing a digital asset business

7 activity subject to tax under this Act as to which there has
8 been no charge made to the customer of the tax imposed by
9 Section 3-20 shall make payment of the tax imposed by Section
10 3-20 in the form and manner provided by the Department not
11 later than the 20th day of the month following the month of
12 payment for the digital asset business activity.

13 Section 3-40. Return and payment.

14 (a) Each digital asset broker shall make a return to the
15 Department on or before the 20th day of each month for the
16 preceding calendar month stating the following:

- 17 (1) the digital asset broker's name;
- 18 (2) the address of the digital asset broker's
19 principal place of business;
- 20 (3) the amount of digital asset business sales made by
21 the digital asset broker during the preceding calendar
22 month;
- 23 (4) the amount of tax due, computed as set forth in
24 this Act;
- 25 (5) the signature of the digital asset broker; and

1 (6) such other information as the Department may
2 reasonably require.

3 (b) All returns required to be filed and payments required
4 to be made under this Act shall be by electronic means in the
5 form and manner authorized by the Department.

6 (c) Any amount that is required to be shown or reported on
7 any return or other document under this Act shall, if such
8 amount is not a whole-dollar amount, be increased to the
9 nearest whole-dollar amount if the fractional part of a dollar
10 is \$0.50 or more and decreased to the nearest whole-dollar
11 amount if the fractional part of a dollar is less than \$0.50.
12 If a total amount of less than \$1 is payable, refundable, or
13 creditable, such amount shall be disregarded if it is less
14 than \$0.50 and shall be increased to \$1 if it is \$0.50 or more.

15 (d) A digital asset broker who ceases to engage in the kind
16 of business which makes the person responsible for filing
17 returns under this Act shall file a final return under this Act
18 with the Department not more than one month after

19 discontinuing such business.

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

1 similar digital asset broker under this Act, in accordance
2 with reasonable rules and regulations to be prescribed by the
3 Department. If no such request is made, the digital asset
4 broker may credit such excess payment against tax liability
5 subsequently to be remitted to the Department under this Act,
6 in accordance with reasonable rules and regulations prescribed
7 by the Department. If the Department subsequently determines
8 that all or any part of the credit taken was not actually due
9 to the digital asset broker, that digital asset broker shall
10 be liable for penalties and interest on such difference.

11 (f) If a digital asset broker fails to sign a return within
12 30 days after the proper notice and demand for signature by the
13 Department is received by the digital asset broker, the return
14 shall be considered valid, and any amount shown to be due on
15 the return shall be deemed assessed.

16 Section 3-45. Books and records. Every digital asset
17 broker required to file a return under this Act shall keep
18 books, records, papers, and other documents that adequately
19 reflect digital asset business activity sold in this State,
20 including the information used in calculating the amount of
21 tax due. Digital asset brokers are required to maintain
22 records as needed to determine the location of a sale pursuant
23 to Section 3-25 of this Act. The Department may adopt rules
24 that establish requirements, including record forms and
25 formats, for records required to be kept and maintained by

1 digital asset brokers.

2 Books, records, papers, and documents that are required by
3 this Section to be kept shall, at all times during the usual
4 business hours of the day, be subject to inspection by the
5 Department or its duly authorized agents and employees. The
6 books, records, papers, and documents for any period with
7 respect to which the Department is authorized to issue a
8 notice of tax liability shall be preserved until the
9 expiration of that period.

10 Section 3-50. Deposits of proceeds The moneys received by
11 the Department from the tax imposed by this Act shall be
12 deposited into the General Revenue Fund.

13 Section 3-55. Criminal penalties. Any digital asset broker
14 who fails to file a return, or who violates any other provision
15 of this Act, or who fails to keep books and records as required
16 by this Act, or who files a fraudulent return, or who willfully
17 violates any rule or regulation of the Department for the
18 administration and enforcement of the provisions of this Act,
19 or any officer or agent of a corporation or manager, member, or
20 agent of a limited liability company subject to this Act who
21 signs a fraudulent return filed on behalf of such corporation
22 or limited liability company, or any accountant or other agent
23 who knowingly enters false information on the return of any
24 taxpayer under this Act is guilty of a Class 3 felony. A

1 prosecution for any act in violation of this Section may be
2 commenced at any time within 5 years of the commission of that
3 act.

4 Section 3-60. Department administration and enforcement.
5 The Department shall have full power to administer and enforce
6 this Act, to collect all taxes and penalties due hereunder, to
7 dispose of taxes and penalties so collected in the manner
8 hereinafter provided, and to determine all rights to credit
9 memoranda, arising on account of the erroneous payment of tax

10 or penalty hereunder.

11 In the administration of, and compliance with, this Act,
12 the Department and persons who are subject to this Act shall
13 have the same rights, remedies, privileges, immunities,
14 powers, and duties, and be subject to the same conditions,
15 restrictions, limitations, penalties, and definitions of
16 terms, and employ the same modes of procedure, as are
17 prescribed in Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i,
18 5j, 6b, 6c, 8, 9, 10, and 11 of the Retailers' Occupation Tax
19 Act and all of the provisions of the Uniform Penalty and
20 Interest Act, which are not inconsistent with this Act, as
21 fully as if those provisions were set forth herein. References
22 in the incorporated Sections of the Retailers' Occupation Tax
23 Act to retailers, to sellers, or to persons engaged in the
24 business of selling tangible personal property mean digital
25 asset brokers when used in this Act. References in the

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1 incorporated Sections to sales of tangible personal property
2 mean sale of digital asset business activity subject to tax
3 under this Act when used in this Act.

4 Section 3-65. The Illinois Administrative Procedure Act.
5 The Illinois Administrative Procedure Act is hereby expressly
6 adopted and shall apply to all administrative rules and
7 procedures of the Department under this Act, except that: (1)
8 paragraph (b) of Section 5-10 of the Illinois Administrative
9 Procedure Act does not apply to final orders, decisions, and
10 opinions of the Department; and (2) subparagraph (a)(ii) of
11 Section 5-10 of the Illinois Administrative Procedure Act does
12 not apply to forms established by the Department for use under
13 this Article.

14 Section 3-70. Rulemaking. The Department may adopt rules
15 in accordance with the Illinois Administrative Procedure Act
16 and prescribe forms relating to the administration and
17 enforcement of this Act as it deems appropriate.

ARTICLE 5

18

19 Section 5-5. The Business Corporation Act of 1983 is
20 amended by changing Section 15.05 and by adding Section 15.98
21 as follows:

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1 (805 ILCS 5/15.05) (from Ch. 32, par. 15.05)
2 Sec. 15.05. Fees, franchise taxes, and charges to be
3 collected by Secretary of State. The Secretary of State shall
4 charge and collect in accordance with the provisions of this
5 Act:

- 6 (a) Fees for filing documents.
- 7 (b) License fees.
- 8 (c) Franchise taxes.
- 9 (d) Miscellaneous charges.
- 10 (e) Fees for filing annual reports.
- 11 (f) Social media platform fees.

12 (Source: P.A. 93-59, eff. 7-1-03.)

13 (805 ILCS 5/15.98 new)

14 Sec. 15.98. Social media platform fee.

15 (a) Beginning January 1, 2027 and monthly thereafter
16 within 14 days of the start of each month, each social media
17 platform shall submit to the Secretary of State a report of the
18 average number of monthly users of the platform located in the
19 State of Illinois.

20 (b) Beginning January 1, 2027, the following fees are
21 imposed on social media platforms based on the number of
22 Illinois users from whom the social media platform collects
23 data within a month. The fees must be paid to the Secretary of
24 State no later than the 14th day of the first succeeding
25 calendar month:

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1 (1) social media platforms with over 100,000 Illinois
2 users but not more than 500,000 Illinois users shall pay.

\$0.10 per month on the number of Illinois users over 100,000 but not more than 500,000;

(2) social media platforms with over 500,000 Illinois users but not more than 1,000,000 Illinois users shall pay \$40,000, plus \$0.25 per month multiplied by the number of Illinois users over 500,000 but not more than 1,000,000; and

(3) social media platforms with over 1,000,000 Illinois users shall pay \$165,000, plus \$0.50 per month multiplied by the number of Illinois users over 1,000,000.

If a social media platform fails or refuses to pay the monthly fee to the Secretary of State, there shall be added to the fee an amount equal to 100% of the unpaid fee and any penalties each month until the fee is paid.

(c) The Secretary of State shall deposit a portion of the fees collected pursuant to this Section, in the amount of \$170,000 per month, into the Secretary of State Special Services Fund. The Secretary of State shall deposit the remainder of the fees collected pursuant to this Section into the Common School Fund. The Secretary of State shall pay the funds to the State Comptroller within 30 days after receipt of the funds.

(d) As used in this Section:

"Consumer Price Index" means the index published by the

Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84=100.

"Social media platform" means a website or internet medium that:

(1) permits a person to become a registered user, establish an account, or create a profile for the purpose of allowing users to create, share, and view user-generated content through that account or profile;

(2) enables one or more users to generate content that can be viewed by other users of the medium; and

(3) primarily serves as a medium for users to interact with content generated by other users of the medium.

15 "Social media platform" does not include a not-for-profit
16 organization, as defined in the General Not For Profit
17 Corporation Act of 1986.

18 (e) On January 1, 2028 and on each January 1 thereafter,
19 the fees charged under this Section shall each be increased by
20 an amount equal to the annual unadjusted percentage increase
21 in the Consumer Price Index for the 12-month period ending
22 with the March preceding each July 1, including all previous
23 adjustments, rounded down to the nearest whole number.

24 (f) A social media platform shall not vary the cost of
25 access, features, services, or in-app purchases for any user
26 based on the geographic origin of the user's login, activity,

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1 or account registration for the purposes of recouping the fee
2 under this Section. A violation of this subsection regarding
3 users' access to features and services constitutes an injury
4 to that individual. Any individual alleging a violation of
5 this subsection (f) by a social media platform may bring a
6 civil action in the circuit court. An individual protected by
7 this subsection shall not be required, as a condition of
8 service or otherwise, to accept mandatory arbitration of a
9 claim arising under this subsection.

10 (g) The Secretary of State may order a social media
11 platform to pay the required fees to the Secretary of State,
12 determine the amount of the fee required to be paid to the
13 Secretary of State by a social media platform, determine any
14 delinquency by a social media platform in the fees to be paid
15 to the Secretary of State and to order such delinquency be
16 remedied, and audit any social media platform to enforce the
17 provisions of this Section, including to ensure that a social
18 media platform has paid the required fee and any penalties or
19 other sums owed. This subsection may be enforced by the
20 Attorney General or a State's Attorney.

ARTICLE 10

21

22 Section 10-5. The Illinois Income Tax Act is amended by
23 changing Sections 207 and 1101 as follows:

1 (35 ILCS 5/207) (from Ch. 120, par. 2-207)

2 Sec. 207. Net Losses.

3 (a) If after applying all of the (i) modifications
4 provided for in paragraph (2) of Section 203(b), paragraph (2)
5 of Section 203(c) and paragraph (2) of Section 203(d) and (ii)
6 the allocation and apportionment provisions of Article 3 of
7 this Act and subsection (c) of this Section, the taxpayer's
8 net income results in a loss;

9 (1) for any taxable year ending prior to December 31,
10 1999, such loss shall be allowed as a carryover or
11 carryback deduction in the manner allowed under Section
12 172 of the Internal Revenue Code;

13 (2) for any taxable year ending on or after December
14 31, 1999 and prior to December 31, 2003, such loss shall be
15 allowed as a carryback to each of the 2 taxable years
16 preceding the taxable year of such loss and shall be a net
17 operating loss carryover to each of the 20 taxable years
18 following the taxable year of such loss;

19 (3) for any taxable year ending on or after December
20 31, 2003 and prior to December 31, 2021, such loss shall be
21 allowed as a net operating loss carryover to each of the 12
22 taxable years following the taxable year of such loss,
23 except as provided in subsection (d); and

24 (4) for any taxable year ending on or after December
25 31, 2021, and for any net loss incurred in a taxable year
26 prior to a taxable year ending on or after December 31,

1 2021 for which the statute of limitation for utilization
2 of such net loss has not expired, such loss shall be
3 allowed as a net operating loss carryover to each of the 20
4 taxable years following the taxable year of such loss,
5 except as provided in subsection (d).

6 (a-5) Election to relinquish carryback and order of

7 application of losses.

8 (A) For losses incurred in tax years ending prior
9 to December 31, 2003, the taxpayer may elect to
10 relinquish the entire carryback period with respect to
11 such loss. Such election shall be made in the form and
12 manner prescribed by the Department and shall be made
13 by the due date (including extensions of time) for
14 filing the taxpayer's return for the taxable year in
15 which such loss is incurred, and such election, once
16 made, shall be irrevocable.

17 (B) The entire amount of such loss shall be
18 carried to the earliest taxable year to which such
19 loss may be carried. The amount of such loss which
20 shall be carried to each of the other taxable years
21 shall be the excess, if any, of the amount of such loss
22 over the sum of the deductions for carryback or
23 carryover of such loss allowable for each of the prior
24 taxable years to which such loss may be carried.

25 (b) Any loss determined under subsection (a) of this
26 Section must be carried back or carried forward in the same

1 manner for purposes of subsections (a) and (b) of Section 201
2 of this Act as for purposes of subsections (c) and (d) of
3 Section 201 of this Act.

4 (c) Notwithstanding any other provision of this Act, for
5 each taxable year ending on or after December 31, 2008, for
6 purposes of computing the loss for the taxable year under
7 subsection (a) of this Section and the deduction taken into
8 account for the taxable year for a net operating loss
9 carryover under paragraphs (1), (2), and (3) of subsection (a)
10 of this Section, the loss and net operating loss carryover
11 shall be reduced in an amount equal to the reduction to the net
12 operating loss and net operating loss carryover to the taxable
13 year, respectively, required under Section 108(b)(2)(A) of the
14 Internal Revenue Code, multiplied by a fraction, the numerator
15 of which is the amount of discharge of indebtedness income
16 that is excluded from gross income for the taxable year (but
17 only if the taxable year ends on or after December 31, 2008)
18 under Section 108(a) of the Internal Revenue Code and that

19 would have been allocated and apportioned to this State under
20 Article 3 of this Act but for that exclusion, and the
21 denominator of which is the total amount of discharge of
22 indebtedness income excluded from gross income under Section
23 108(a) of the Internal Revenue Code for the taxable year. The
24 reduction required under this subsection (c) shall be made
25 after the determination of Illinois net income for the taxable
26 year in which the indebtedness is discharged.

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1 (d) In the case of a corporation (other than a Subchapter S
2 corporation):

3 (1) no carryover deduction shall be allowed under this
4 Section for any taxable year ending after December 31,
5 2010 and prior to December 31, 2012;

6 (2) no carryover deduction shall exceed \$100,000 for
7 any taxable year ending on or after December 31, 2012 and
8 prior to December 31, 2014 and for any taxable year ending
9 on or after December 31, 2021 and prior to December 31,
10 2024; and

11 (3) no carryover deduction shall exceed \$500,000 for
12 any taxable year ending on or after December 31, 2024 and
13 prior to December 31, 2027.

14 (4) no carryover deduction shall exceed 15% of the
15 amount of net income computed under Section 202 without
16 regard to the deduction allowed by this Section or
17 \$500,000, whichever is greater, for any taxable year
18 ending on or after December 31, 2027, and before December
19 31, 2028;

20 (5) no carryover deduction shall exceed 30% of the
21 amount of net income computed under Section 202 without
22 regard to the deduction allowed by this Section or
23 \$500,000, whichever is greater, for any taxable year
24 ending on or after December 31, 2028, and before December
25 31, 2029;

26 (6) no carryover deduction shall exceed 50% of the

amount of net income computed under Section 202 without regard to the deduction allowed by this Section or \$500,000, whichever is greater, for any taxable year ending on or after December 31, 2029, and before December 31, 2030;

(7) no carryover deduction shall exceed 65% of the amount of net income computed under Section 202 without regard to the deduction allowed by this Section or \$500,000, whichever is greater, for any taxable year ending on or after December 31, 2030 and before December 31, 2031;

(8) no carryover deduction shall exceed 80% of the amount of net income computed under Section 202 without regard to the deduction allowed by this Section or \$500,000, whichever is greater, for any taxable year ending on or after December 31, 2031.

For the purposes of determining the taxable years to which a net loss may be carried under subsection (a) of this Section, no taxable year for which a deduction is disallowed under this subsection, or for which one of the restrictions in this subsection applies ~~the deduction would exceed \$100,000 or \$500,000, as applicable, if not for this subsection,~~ shall be counted.

(e) In the case of a residual interest holder in a real estate mortgage investment conduit subject to Section 860E of the Internal Revenue Code, the net loss in subsection (a)

shall be equal to:

(1) the amount computed under subsection (a), without regard to this subsection (e), or if that amount is positive, zero;

(2) minus an amount equal to the amount computed under subsection (a), without regard to this subsection (e), minus the amount that would be computed under subsection (a) if the taxpayer's federal taxable income were computed without regard to Section 860E of the Internal Revenue Code and without regard to this subsection (e).

11 The modification in this subsection (e) is exempt from the
12 provisions of Section 250.

13 (Source: P.A. 102-16, eff. 6-17-21; 102-669, eff. 11-16-21;
14 103-592, eff. 6-7-24.)

15 (35 ILCS 5/1101) (from Ch. 120, par. 11-1101)

16 Sec. 1101. Lien for Tax.

17 (a) If any person liable to pay any tax neglects or refuses
18 to pay the same after demand, the amount (including any
19 interest, additional amount, addition to tax, or assessable
20 penalty, together with any costs that may accrue in addition
21 thereto) shall be a lien in favor of the State of Illinois upon
22 all property and rights to property, whether real or personal,
23 belonging to such person.

24 (b) Unless another date is specifically fixed by law, the
25 lien imposed by subsection (a) of this Section shall arise at

1 the time the assessment is made and shall continue until the
2 liability for the amount so assessed (or a judgment against
3 the taxpayer arising out of such liability) is satisfied or
4 becomes unenforceable by reason of lapse of time.

5 (c) Deficiency procedure. If the lien arises from an
6 assessment pursuant to a notice of deficiency, such lien shall
7 not attach and the notice referred to in this Section shall not
8 be filed until all proceedings in court for review of such
9 assessment have terminated or the time for the taking thereof
10 has expired without such proceedings being instituted. If a
11 late discretionary hearing has been granted pursuant to
12 subsection (d) of Section 908 of this Act after a lien has
13 attached, that lien shall remain in full force except to the
14 extent to which the final assessment may be reduced by a
15 revised final assessment following the hearing or review.

16 (d) Notice of lien. The lien created by assessment shall
17 terminate unless a notice of lien is filed, as provided in
18 Section 1103 hereof, within 3 years from the date all
19 proceedings in court for the review of such assessment have
20 terminated or the time for the taking thereof has expired
21 without such proceedings being instituted. Where the lien
22 results from the filing of a return without payment of the tax

23 or penalty shown therein to be due, the lien shall terminate
24 unless a notice of lien is filed within 3 years from the date
25 such return was filed with the Department. For the purposes of
26 this subsection (d), a tax return filed before the last day

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1 prescribed by law, including any extension thereof, shall be
2 deemed to have been filed on such last day. The time limitation
3 period on the Department's right to file a notice of lien shall
4 not run (1) during any period of time in which the order of any
5 court has the effect of enjoining or restraining the
6 Department from filing such notice of lien, or (2) during the
7 term of a repayment plan that taxpayer has entered into with
8 the Department, as long as taxpayer remains in compliance with
9 the terms of the repayment plan.
10 (Source: P.A. 97-507, eff. 8-23-11; 98-446, eff. 8-16-13.)

ARTICLE 15

11

12 Section 15-5. The Motor Fuel Tax Law is amended by
13 changing Section 2 as follows:

14 (35 ILCS 505/2) (from Ch. 120, par. 418)

15 Sec. 2. A tax is imposed on the privilege of operating
16 motor vehicles upon the public highways and recreational-type
17 watercraft upon the waters of this State.

18 (a) Prior to August 1, 1989, the tax is imposed at the rate
19 of 13 cents per gallon on all motor fuel used in motor vehicles
20 operating on the public highways and recreational type
21 watercraft operating upon the waters of this State. Beginning
22 on August 1, 1989 and until January 1, 1990, the rate of the
23 tax imposed in this paragraph shall be 16 cents per gallon.

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1 Beginning January 1, 1990 and until July 1, 2019, the rate of

2 tax imposed in this paragraph, including the tax on compressed
3 natural gas, shall be 19 cents per gallon. Beginning July 1,
4 2019 and until July 1, 2020, the rate of tax imposed in this
5 paragraph shall be 38 cents per gallon. Beginning July 1, 2020
6 and until July 1, 2021, the rate of tax imposed in this
7 paragraph shall be 38.7 cents per gallon. Beginning July 1,
8 2021 and until January 1, 2023, the rate of tax imposed in this
9 paragraph shall be 39.2 cents per gallon. On January 1, 2023,
10 the rate of tax imposed in this paragraph shall be increased by
11 an amount equal to the percentage increase, if any, in the
12 Consumer Price Index for the 12 months ending in September of
13 2022. On July 1, 2023, and on July 1 of each subsequent year,
14 except for the time period beginning July 1, 2026, and ending
15 on January 1, 2027, the rate of tax imposed in this paragraph
16 shall be increased by an amount equal to the percentage
17 increase, if any, in the Consumer Price Index for the 12 months
18 ending in March of the year in which the increase takes place.
19 The percentage increase in the Consumer Price Index shall be
20 calculated as follows: (1) calculate the average Consumer
21 Price Index for the full 12 months ending in March of the year
22 in which the increase takes place; (2) calculate the average
23 Consumer Price Index for the full 12 months ending in March of
24 the year immediately preceding the year in which the increase
25 takes place; (3) calculate the percentage increase, if any, in
26 the current-year average determined under item (1) over the

1 preceding-year average determined under item (2). The rate
2 shall be rounded to the nearest one-tenth of one cent.

3 (a-5) Beginning on July 1, 2022 and through December 31,
4 2022, each retailer of motor fuel shall cause the following
5 notice to be posted in a prominently visible place on each
6 retail dispensing device that is used to dispense motor fuel
7 in the State of Illinois: "As of July 1, 2022, the State of
8 Illinois has suspended the inflation adjustment to the motor
9 fuel tax through December 31, 2022. The price on this pump
10 should reflect the suspension of the tax increase." The notice
11 shall be printed in bold print on a sign that is no smaller
12 than 4 inches by 8 inches. The sign shall be clearly visible to
13 customers. Any retailer who fails to post or maintain a

14 required sign through December 31, 2022 is guilty of a petty
15 offense for which the fine shall be \$500 per day per each
16 retail premises where a violation occurs.

17 (b) Until July 1, 2019, the tax on the privilege of
18 operating motor vehicles which use diesel fuel, liquefied
19 natural gas, or propane shall be the rate according to
20 paragraph (a) plus an additional 2 1/2 cents per gallon.
21 Beginning July 1, 2019, the tax on the privilege of operating
22 motor vehicles which use diesel fuel, liquefied natural gas,
23 or propane shall be the rate according to subsection (a) plus
24 an additional 7.5 cents per gallon. "Diesel fuel" is defined
25 as any product intended for use or offered for sale as a fuel
26 for engines in which the fuel is injected into the combustion

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1 chamber and ignited by pressure without electric spark.

2 (c) A tax is imposed upon the privilege of engaging in the
3 business of selling motor fuel as a retailer or reseller on all
4 motor fuel used in motor vehicles operating on the public
5 highways and recreational type watercraft operating upon the
6 waters of this State: (1) at the rate of 3 cents per gallon on
7 motor fuel owned or possessed by such retailer or reseller at
8 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents
9 per gallon on motor fuel owned or possessed by such retailer or
10 reseller at 12:01 A.M. on January 1, 1990.

11 Retailers and resellers who are subject to this additional
12 tax shall be required to inventory such motor fuel and pay this
13 additional tax in a manner prescribed by the Department of
14 Revenue.

15 The tax imposed in this paragraph (c) shall be in addition
16 to all other taxes imposed by the State of Illinois or any unit
17 of local government in this State.

18 (d) Except as provided in Section 2a, the collection of a
19 tax based on gallonage of gasoline used for the propulsion of
20 any aircraft is prohibited on and after October 1, 1979, and
21 the collection of a tax based on gallonage of special fuel used
22 for the propulsion of any aircraft is prohibited on and after
23 December 1, 2019.

24 (e) The collection of a tax, based on gallonage of all
25 products commonly or commercially known or sold as 1-K

1 prohibited (i) on and after July 1, 1992 until December 31,
2 1999, except when the 1-K kerosene is either: (1) delivered
3 into bulk storage facilities of a bulk user, or (2) delivered
4 directly into the fuel supply tanks of motor vehicles and (ii)
5 on and after January 1, 2000. Beginning on January 1, 2000, the
6 collection of a tax, based on gallonage of all products
7 commonly or commercially known or sold as 1-K kerosene,
8 regardless of its classification or uses, is prohibited except
9 when the 1-K kerosene is delivered directly into a storage
10 tank that is located at a facility that has withdrawal
11 facilities that are readily accessible to and are capable of
12 dispensing 1-K kerosene into the fuel supply tanks of motor
13 vehicles. For purposes of this subsection (e), a facility is
14 considered to have withdrawal facilities that are not "readily
15 accessible to and capable of dispensing 1-K kerosene into the
16 fuel supply tanks of motor vehicles" only if the 1-K kerosene
17 is delivered from: (i) a dispenser hose that is short enough so
18 that it will not reach the fuel supply tank of a motor vehicle
19 or (ii) a dispenser that is enclosed by a fence or other
20 physical barrier so that a vehicle cannot pull alongside the
21 dispenser to permit fueling.

22 Any person who sells or uses 1-K kerosene for use in motor
23 vehicles upon which the tax imposed by this Law has not been
24 paid shall be liable for any tax due on the sales or use of 1-K
25 kerosene.

26 As used in this Section, "Consumer Price Index" means the

1 index published by the Bureau of Labor Statistics of the
2 United States Department of Labor that measures the average
3 change in prices of goods and services purchased by all urban
4 consumers, United States city average, all items, 1982-84 =
5 100.

(Source: P.A. 102-700, eff. 4-19-22; 103-995, eff. 8-9-24.)

ARTICLE 25

Section 25-5. The Environmental Protection Act is amended by changing Section 7.5 as follows:

(415 ILCS 5/7.5) (from Ch. 111 1/2, par. 1007.5)

Sec. 7.5. Filing fees.

(a) The Board shall collect filing fees as prescribed in this Act. The fees shall be deposited in the Pollution Control Board Fund. The filing fees shall be as follows:

Petition for site-specific regulation, ~~\$250~~ \$75.

Petition for variance, ~~\$250~~ \$75.

Petition for review of permit, ~~\$250~~ \$75.

Petition to contest local government decision pursuant to Section 40.1, ~~\$250~~ \$75.

Petition for an adjusted standard, pursuant to Section 28.1, ~~\$250~~ \$75.

Petition for a time-limited water quality standard, ~~\$250~~ \$75 per petitioner.

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On July 1, 2027 and each July 1 thereafter, the filing fees charged under this subsection shall each be increased by an amount equal to the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the March preceding each July 1, including all previous adjustments. In this subsection, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84=100.

(b) A person who has filed a petition for a variance from a water quality standard and paid the filing fee set forth in subsection (a) of this Section for that petition and whose variance petition is thereafter converted into a petition for a time-limited water quality standard under Section 38.5 of this Act shall not be required to pay a separate filing fee

18 upon the conversion of the variance petition into a petition
19 for a time-limited water quality standard.

20 (Source: P.A. 99-937, eff. 2-24-17.)

ARTICLE 30

21

22 Section 30-5. The Illinois Coal Technology Development
23 Assistance Act is amended by changing Section 3 as follows:

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1 (30 ILCS 730/3) (from Ch. 96 1/2, par. 8203)

2 Sec. 3. Transfers to Coal Technology Development
3 Assistance Fund.

4 (a) As soon as may be practicable after the first day of
5 each month, the Department of Revenue shall certify to the
6 Treasurer an amount equal to 1/64 of the revenue realized from
7 the tax imposed by the Electricity Excise Tax Law, Section 2 of
8 the Public Utilities Revenue Act, Section 2 of the Messages
9 Tax Act, and Section 2 of the Gas Revenue Tax Act, during the
10 preceding month. Upon receipt of the certification, the
11 Treasurer shall transfer the amount shown on such
12 certification from the General Revenue Fund to the Coal
13 Technology Development Assistance Fund, which is hereby
14 created as a special fund in the State treasury, except that no
15 transfer shall be made in any month in which the Fund has
16 reached the following balance:

17 (1) (Blank).

18 (2) (Blank).

19 (3) (Blank).

20 (4) (Blank).

21 (5) (Blank).

22 (6) Except as otherwise provided in subsection (b),
23 during fiscal year 2006 and each fiscal year thereafter,
24 an amount equal to the sum of \$10,000,000 plus additional
25 moneys deposited into the Coal Technology Development
26 Assistance Fund from the Renewable Energy Resources and

Coal Technology Development Assistance Charge under
Section 6.5 of the Renewable Energy, Energy Efficiency,
and Coal Resources Development Law of 1997.

(b) During fiscal years 2019 through 2022 only, the
Treasurer shall make no transfers from the General Revenue
Fund to the Coal Technology Development Assistance Fund.

(c) Beginning in fiscal year 2027, those amounts required
under this Section to be transferred by the Treasurer into the
Coal Technology Development Assistance Fund from the General
Revenue Fund shall instead be directly deposited into the Coal
Technology Development Assistance Fund.

(Source: P.A. 101-10, eff. 6-5-19; 101-636, eff. 6-10-20;
102-16, eff. 6-17-21.)

Section 30-10. The Illinois Income Tax Act is amended by
changing Section 510 as follows:

(35 ILCS 5/510) (from Ch. 120, par. 5-510)

Sec. 510. Determination of amounts contributed. The
Department shall determine the total amount contributed to
each of the funds under this Article 5 and shall notify the
State Comptroller and the State Treasurer of the amounts to be
transferred from the General Revenue Fund to each fund, and
upon receipt of such notification the State Treasurer and
Comptroller shall transfer the amounts. Beginning on July 1,
2026, contribution amounts required to be transferred under

this Article 5 shall be deposited directly into the funds.

(Source: P.A. 95-331, eff. 8-21-07; 95-434, eff. 8-27-07;
95-435, eff. 8-27-07; 95-940, eff. 8-29-08; 96-328, eff.
8-11-09.)

Section 30-15. The Environmental Protection Act is amended
by changing Section 55.8 as follows:

(415 ILCS 5/55.8) (from Ch. 111 1/2, par. 1055.8)

8 Sec. 55.8. Tire retailers.

9 (a) Any person selling new or used tires at retail or
10 offering new or used tires for retail sale in this State shall:

11 (1) beginning on June 20, 2003 (the effective date of
12 Public Act 93-32) and through June 30, 2026, collect from
13 retail customers a fee of \$2 per new or used tire sold and
14 delivered in this State, to be paid to the Department of
15 Revenue and deposited into the Used Tire Management Fund,
16 less a collection allowance of 10 cents per tire to be
17 retained by the retail seller and a collection allowance
18 of 10 cents per tire to be retained by the Department of
19 Revenue and paid into the General Revenue Fund; the
20 collection allowance for retail sellers, however, shall be
21 allowed only if the return is filed timely and in the
22 manner required by this Title XIV and only for the amount
23 that is paid timely in accordance with this Title XIV;

24 (1.5) beginning on July 1, 2003 and through June 30,

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1 2026, collect from retail customers an additional 50 cents
2 per new or used tire sold and delivered in this State; the
3 money collected from this fee shall be deposited into the
4 Emergency Public Health Fund;

5 (1.6) beginning on July 1, 2026, collect from retail
6 customers a fee of \$2.50 per new or used tire sold and
7 delivered in this State, to be paid to the Department of
8 Revenue, less a collection allowance of \$0.10 per tire to
9 be retained by the retail seller; the collection
10 allowance, however, shall be allowed only if the return is
11 filed timely and in the manner required by this Title XIV
12 and only for the amount that is paid timely in accordance
13 with this Title XIV; the money collected from this fee
14 shall be deposited as follows:

15 (i) 4% into the General Revenue Fund;

16 (ii) 75% into the Used Tire Management Fund; and

17 (iii) 21% into the Emergency Public Health Fund

18 (2) accept for recycling used tires from customers, at
19 the point of transfer, in a quantity equal to the number of
20 new tires purchased; and

21 (3) post in a conspicuous place a written notice at

22 least 8.5 by 11 inches in size that includes the universal
23 recycling symbol and the following statements: "DO NOT put
24 used tires in the trash."; "Recycle your used tires."; and
25 "State law requires us to accept used tires for recycling,
26 in exchange for new tires purchased.".

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1 (b) A person who accepts used tires for recycling under
2 subsection (a) shall not allow the tires to accumulate for
3 periods of more than 90 days.

4 (c) The requirements of subsection (a) of this Section do
5 not apply to mail order sales nor shall the retail sale of a
6 motor vehicle be considered to be the sale of tires at retail
7 or offering of tires for retail sale. Instead of filing
8 returns, retailers of tires may remit the tire user fee to
9 their suppliers of tires if the supplier of tires is a
10 registered retailer of tires and agrees or otherwise arranges
11 to collect and remit the tire fee to the Department of Revenue,
12 notwithstanding the fact that the sale of the tire is a sale
13 for resale and not a sale at retail. A tire supplier who enters
14 into such an arrangement with a tire retailer shall be liable
15 for the tax on all tires sold to the tire retailer and must (i)
16 provide the tire retailer with a receipt that separately
17 reflects the tire tax collected from the retailer on each
18 transaction and (ii) accept used tires for recycling from the
19 retailer's customers. The tire supplier shall be entitled to
20 the collection allowance of 10 cents per tire, but only if the
21 return is filed timely and only for the amount that is paid
22 timely in accordance with this Title XIV.

23 The retailer of the tires must maintain in its books and
24 records evidence that the appropriate fee was paid to the tire
25 supplier and that the tire supplier has agreed to remit the fee
26 to the Department of Revenue for each tire sold by the

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1 retailer. Otherwise, the tire retailer shall be directly

2 liable for the fee on all tires sold at retail. Tire retailers
3 paying the fee to their suppliers are not entitled to the
4 collection allowance of 10 cents per tire. The collection
5 allowance for suppliers, however, shall be allowed only if the
6 return is filed timely and in the manner required by this Title
7 XIV and only for the amount that is paid timely in accordance
8 with this Title XIV.

9 (d) The requirements of subsection (a) of this Section
10 shall apply exclusively to tires to be used for vehicles
11 defined in Section 1-217 of the Illinois Vehicle Code,
12 aircraft tires, special mobile equipment, and implements of
13 husbandry.

14 (e) The requirements of paragraph (1) of subsection (a) do
15 not apply to the sale of reprocessed tires. For purposes of
16 this Section, "reprocessed tire" means a used tire that has
17 been recapped, retreaded, or regrooved and that has not been
18 placed on a vehicle wheel rim.

19 (Source: P.A. 100-303, eff. 8-24-17.)

ARTICLE 35

20

21 Section 35-5. The Hotel Operators' Occupation Tax Act is
22 amended by changing Sections 2, 3, 3-2, 3-3, and 6 as follows:

23 (35 ILCS 145/2) (from Ch. 120, par. 481b.32)

1 Sec. 2. Definitions. As used in this Act, unless the
2 context otherwise requires:

3 (1) "Hotel" means any building or buildings in which the
4 public may, for a consideration, obtain living quarters,
5 sleeping or housekeeping accommodations. The term includes,
6 but is not limited to, inns, motels, tourist homes or courts,
7 lodging houses, rooming houses and apartment houses, retreat
8 centers, conference centers, hunting lodges, and short-term
9 rentals.

10 (2) "Operator" means any person engaged in the business of
11 renting, leasing, or letting rooms in a hotel.

12 (3) "Occupancy" means the use or possession, or the right
13 to the use or possession, of any room or rooms in a hotel for

14 any purpose, or the right to the use or possession of the
15 furnishings or to the services and accommodations accompanying
16 the use and possession of the room or rooms.

17 (4) "Room" or "rooms" means any living quarters, sleeping
18 or housekeeping accommodations.

19 (5) "Permanent resident" means any person who occupied or
20 has the right to occupy any room or rooms, regardless of
21 whether or not it is the same room or rooms, in a hotel for at
22 least 30 consecutive days.

23 (6) "Rent" or "rental" means the consideration received
24 for occupancy, valued in money, whether received in money or
25 otherwise, including all receipts, cash, credits, and property
26 or services of any kind or nature. "Rent" or "rental" includes

1 any fee, charge, or commission received from a guest by a
2 re-renter of hotel rooms specifically in connection with the
3 re-rental of hotel rooms.

4 (7) "Department" means the Department of Revenue.

5 (8) "Person" means any natural individual, firm,
6 partnership, association, joint stock company, joint
7 adventure, public or private corporation, limited liability
8 company, or a receiver, executor, trustee, guardian, or other
9 representative appointed by order of any court.

10 (9) "Re-renter of hotel rooms" means a person who is not
11 employed by the hotel operator but who, either directly or
12 indirectly, through agreements or arrangements with third
13 parties, collects or processes the payment of rent for a hotel
14 room located in this State and (i) obtains the right or
15 authority to grant control of, access to, or occupancy of a
16 hotel room in this State to a guest of the hotel or (ii)
17 facilitates the booking of a hotel room located in this State.
18 A person who obtains those rights or authorities is not
19 considered a re-renter of a hotel room if the person operates
20 under a shared hotel brand with the operator.

21 (10) "Hosting platform" or "platform" means a person who
22 provides an online application, software, website, or system
23 through which a short-term rental located in this State is
24 advertised or held out to the public as available to rent for
25 occupancy. For purposes of this definition, "short-term

1 non-owner-occupied dwelling, including, but not limited to, an
2 apartment, house, cottage, or condominium, located in this
3 State, where: (i) at least one room in the dwelling is rented
4 to an occupant for a period of less than 30 consecutive days;
5 and (ii) all accommodations are reserved in advance; provided,
6 however, that a dwelling shall be considered a single room if
7 rented as such.

8 (11) "Shared hotel brand" means an identifying trademark
9 that a hotel operator is expressly licensed to operate under
10 in accordance with the terms of a hotel franchise or
11 management agreement.

12 (12) "Hotel marketplace" means a physical or electronic
13 place, forum, platform, application, or other method by which
14 marketplace hotel operators rent, lease, or let or offer to
15 rent, lease, or let rooms in hotels.

16 (13) "Hotel marketplace facilitator" means a person who,
17 pursuant to agreements with unrelated third-party marketplace
18 hotel operators, directly or indirectly through one or more
19 affiliates, facilitates the renting, leasing, or letting of
20 rooms in hotels by unrelated third-party marketplace hotel
21 operators by:

22 (A) listing or advertising for rent, lease, or letting
23 by marketplace hotel operators in a hotel marketplace,
24 hotel rooms, the renting, leasing, or letting of which is
25 subject to tax under this Act; and

26 (B) either directly or indirectly, through agreements

1 or arrangements with third parties, collecting payment
2 from customers and transmitting those payments to the
3 marketplace hotel operator regardless of whether the hotel
4 marketplace facilitator receives compensation or other
5 consideration in exchange for its services.

6 Beginning July 1, 2026, "hotel marketplace facilitator"
7 includes re-renters of hotel rooms and hosting platforms for
8 short-term rentals who otherwise meet the definition of "hotel
9 marketplace facilitator" set forth in this item (13).

10 (14) "Marketplace hotel operator" means a person who
11 rents, leases, or lets rooms in a hotel through a hotel
12 marketplace operated by an unrelated third-party hotel
13 marketplace facilitator.

14 (Source: P.A. 103-592, eff. 7-1-24; 104-6, eff. 7-1-25;
15 104-417, eff. 8-15-25.)

16 (35 ILCS 145/3) (from Ch. 120, par. 481b.33)

17 Sec. 3. Rate; exemptions.

18 (a) A tax is imposed upon hotel operators at the rate of 5%
19 of 94% of the gross rental receipts from engaging in business
20 as a hotel operator, excluding, however, from gross rental
21 receipts, the proceeds of renting, leasing or letting hotel
22 rooms to permanent residents of a hotel and proceeds from the
23 tax imposed under subsection (c) of Section 13 of the
24 Metropolitan Pier and Exposition Authority Act.

25 (b) There shall be imposed an additional tax upon hotel

1 operators at the rate of 1% of 94% of the gross rental receipts
2 received by the hotel operator from engaging in business as a
3 hotel operator, excluding, however, from gross rental
4 receipts, the proceeds of such renting, leasing or letting to
5 permanent residents of that hotel and proceeds from the tax
6 imposed under subsection (c) of Section 13 of the Metropolitan
7 Pier and Exposition Authority Act.

8 (b-5) Beginning on July 1, 2024 and through June 30, 2026,
9 if the renting, leasing, or letting of a hotel room is done
10 through a re-renter of hotel rooms, then, subject to the
11 provisions of Sections 3-2 and 3-3, the re-renter is the hotel
12 operator for the purposes of the taxes under subsections (a)
13 and (b). If the re-renter is headquartered outside of this
14 State and has no presence in this State other than its business
15 as a re-renter, conducted remotely, then, subject to the
16 provisions of Sections 3-2 and 3-3, such re-renter is the
17 hotel operator for the purposes of the taxes under subsections

18 (a) and (b) if it meets one of the following thresholds:
19 (1) the cumulative gross receipts from rentals in
20 Illinois by the re-renter of hotel rooms are \$100,000 or
21 more; or
22 (2) the re-renter of hotel rooms cumulatively enters
23 into 200 or more separate transactions for rentals in
24 Illinois.
25 A re-renter of hotel rooms who is headquartered outside of
26 this State and has no presence in this State other than its

1 business as a re-renter, conducted remotely, shall determine
2 on a quarterly basis, ending on the last day of March, June,
3 September, and December, whether he or she meets the threshold
4 of either paragraph (1) or (2) of this subsection (b-5) for the
5 preceding 12-month period. If such re-renter of hotel rooms
6 meets the threshold of either paragraph (1) or (2) for a
7 12-month period, he or she is subject to tax under this Act and
8 is required to remit the tax imposed under this Act and file
9 returns for the 12-month period beginning on the first day of
10 the next month after he or she determines that he or she meets
11 the threshold of paragraph (1) or (2). At the end of that
12 12-month period, such re-renter of hotel rooms shall determine
13 whether he or she continued to meet the threshold of either
14 paragraph (1) or (2) during the preceding 12-month period. If
15 he or she met the threshold in either paragraph (1) or (2) for
16 the preceding 12-month period, he or she is a hotel operator in
17 this State and is required to remit the tax imposed under this
18 Act and file returns for the subsequent 12-month period. If,
19 at the end of a 12-month period during which such re-renter is
20 required to remit the tax imposed under this Act, the
21 re-renter determines that he or she did not meet the threshold
22 in either paragraph (1) or (2) during the preceding 12-month
23 period, he or she shall subsequently determine on a quarterly
24 basis, ending on the last day of March, June, September, and
25 December, whether he or she meets the threshold of either
26 paragraph (1) or (2) for the preceding 12-month period.

1 (b-10) Beginning July 1, 2026, if the renting, leasing, or
2 letting of a hotel room is done through a hotel marketplace
3 facilitator that has met the tax remittance threshold under
4 this subsection (b-10), then the hotel marketplace facilitator
5 is the hotel operator for the purposes of the taxes under this
6 Act. A hotel marketplace facilitator is engaged in the
7 business of renting, leasing, or letting rooms in a hotel in
8 Illinois and meets the tax remittance threshold for purposes
9 of this Act if, during the previous 12-month period, the
10 cumulative gross rental receipts from renting, leasing, or
11 letting rooms in Illinois hotels on its own behalf or on behalf
12 of marketplace hotel operators to guests equals \$100,000 or
13 more.

14 A hotel marketplace facilitator that meets the tax
15 remittance threshold of this subsection is required to remit
16 the applicable State hotel operators' occupation taxes under
17 this Act and local hotel operators' occupation taxes
18 administered by the Department on all rentals, leases, or
19 lettings of Illinois hotel rooms made by the hotel marketplace
20 facilitator or facilitated for marketplace hotel operators to
21 guests. A hotel marketplace facilitator who meets the tax
22 remittance threshold and rents, leases, or lets Illinois hotel
23 rooms to guests is subject to all applicable procedures and
24 requirements of this Act.

25 A hotel marketplace facilitator shall determine on a
26 quarterly basis, ending on the last day of March, June,

1 September, and December, whether it meets the tax remittance
2 threshold in this subsection (b-10) for the preceding 12-month
3 period. If the hotel marketplace facilitator meets the tax
4 remittance threshold for a 12-month period, then it is subject
5 to tax under this Act and is required to remit the tax imposed
6 under this Act and all hotel operators' occupation tax imposed

7 by local taxing jurisdictions in Illinois, provided that those
8 local taxes are administered by the Department, and to file
9 all applicable returns for one year. At the end of that
10 one-year period, the hotel marketplace facilitator shall
11 determine whether it met the tax remittance threshold for the
12 preceding 12-month period. If the hotel marketplace
13 facilitator met the tax remittance threshold for the preceding
14 12-month period, then it is subject to the tax under this Act
15 and is required to continue to collect and remit all
16 applicable State and local hotel operators' occupation taxes
17 and file returns for the subsequent year. If, at the end of a
18 one-year period, a hotel marketplace facilitator that was
19 required to collect and remit the tax imposed under this Act
20 determines that it did not meet the tax remittance threshold
21 during the preceding 12-month period, then the hotel
22 marketplace facilitator shall subsequently determine on a
23 quarterly basis, ending on the last day of March, June,
24 September, and December, whether it meets the tax remittance
25 threshold for the preceding 12-month period.

26 A hotel marketplace facilitator shall be entitled to any

1 credits, deductions, or adjustments to rental receipts
2 otherwise provided to the marketplace hotel operator, in
3 addition to any such adjustments provided directly to the
4 hotel marketplace facilitator. This includes, but is not
5 limited to, adjustments such as discounts, coupons, and
6 rebates. In addition, a hotel marketplace facilitator is
7 entitled to the discount provided in Section 6 of this Act on
8 all hotel marketplace rentals, leases, or lettings, and the
9 marketplace hotel operator shall not include rentals, leases,
10 or lettings made through a hotel marketplace facilitator when
11 computing any discount on remaining rentals, leases, or
12 lettings. Hotel marketplace facilitators shall report and
13 remit the applicable State and local hotel operators'
14 occupation taxes on leases, rentals, or lettings facilitated
15 for marketplace hotel operators separately from any hotel
16 operators' occupation tax on taxable rentals, leases, or
17 lettings made directly by the hotel marketplace facilitator or
18 its affiliates.

19 The hotel marketplace facilitator is liable for the
20 remittance of all applicable State hotel operators' occupation
21 taxes under this Act and local hotel operators' occupation
22 taxes administered by the Department on rentals, leases, or
23 lettings through the hotel marketplace and is subject to audit
24 on all of those rentals, leases, or lettings. The Department
25 shall not audit marketplace hotel operators for their
26 marketplace rentals, leases, or lettings if the hotel

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1 marketplace facilitator remitted the applicable State and
2 local hotel operators' occupation taxes unless the hotel
3 marketplace facilitator seeks relief as a result of incorrect
4 information provided to the hotel marketplace facilitator by a
5 marketplace hotel operator as set forth in this Section. The
6 hotel marketplace facilitator shall not be held liable for tax
7 on any rentals, leases, or lettings made by a marketplace
8 hotel operator that take place outside of the hotel
9 marketplace and that are not a part of any agreement between a
10 hotel marketplace facilitator and a marketplace hotel
11 operator. In addition, hotel marketplace facilitators shall
12 not be held liable to State and local governments of Illinois
13 for having charged and remitted an incorrect amount of State
14 and local hotel operators' occupation tax if, at the time of
15 the rentals, leases, or lettings, the tax is computed based on
16 erroneous data provided by the State on tax rates, boundaries,
17 or taxing jurisdictions or incorrect information provided to
18 the hotel marketplace facilitator by the marketplace hotel
19 operator.

20 (b-15) A hotel marketplace facilitator shall:

21 (1) provide notice to each marketplace hotel operator
22 at the time of the agreement between the hotel marketplace
23 facilitator and marketplace hotel operator that the hotel
24 marketplace facilitator assumes the rights and duties of a
25 hotel operator under this Act with respect to rentals,
26 leases, or lettings made by the marketplace hotel operator

1 through the hotel marketplace;

2 (2) certify, upon request, to the marketplace hotel
3 operator that the hotel marketplace facilitator assumes
4 the rights and duties of a hotel operator under this Act
5 with respect to rentals, leases, or lettings made by the
6 marketplace hotel operator through the hotel marketplace;
7 and

8 (3) remit taxes imposed by this Act as required by
9 this Act for all rentals, leases, and lettings made
10 through the hotel marketplace.

11 (b-20) For any rentals, leases, and lettings made through
12 a hotel marketplace involving 2 or more parties that meet the
13 definition of hotel marketplace facilitator, nothing in this
14 Section shall prohibit those parties from making an agreement
15 regarding which party shall be responsible for collecting and
16 remitting taxes imposed by this Act, so long as the party so
17 responsible is registered with the State for purposes of
18 remitting the taxes imposed by this Act. If the parties enter
19 into an agreement described in this subsection, the party that
20 agrees to collect and remit the taxes imposed by this Act shall
21 be the sole party liable for the taxes imposed by this Act, and
22 the other parties to the agreement are not liable for the tax.
23 Any party subject to such an agreement must keep a copy of the
24 agreement in its books and records and provide a copy to the
25 Department upon request.

26 (b-25) A marketplace hotel operator shall retain books and

1 records, including certificates provided by the hotel
2 marketplace facilitator under paragraph (2) of subsection
3 (b-15), for all rentals, leases, and lettings made through a
4 hotel marketplace in accordance with the requirements of this
5 Act.

6 (b-30) A hotel marketplace facilitator is subject to audit
7 on all hotel marketplace rentals, leases, and lettings for
8 which it is the hotel operator but shall not be liable for tax
9 or subject to audit on rentals, leases, or lettings made by
10 marketplace hotel operators outside of the hotel marketplace.

11 **(b-35) Nothing in this Section shall allow the Department**
12 **to collect hotel operators' occupation taxes from both the**
13 **hotel marketplace facilitator and marketplace hotel operator**
14 **on the same transaction.**

15 (c) No funds received pursuant to this Act shall be used to
16 advertise for or otherwise promote new competition in the
17 hotel business.

18 (d) However, such tax is not imposed upon the privilege of
19 engaging in any business in Interstate Commerce or otherwise,
20 which business may not, under the Constitution and Statutes of
21 the United States, be made the subject of taxation by this
22 State. In addition, the tax is not imposed upon gross rental
23 receipts for which the hotel operator is prohibited from
24 obtaining reimbursement for the tax from the customer by
25 reason of a federal treaty.

26 (d-5) On and after July 1, 2017, the tax imposed by this

1 Act shall not apply to gross rental receipts received by an
2 entity that is organized and operated exclusively for
3 religious purposes and possesses an active Exemption
4 Identification Number issued by the Department pursuant to the
5 Retailers' Occupation Tax Act when acting as a hotel operator
6 renting, leasing, or letting rooms:

7 (1) in furtherance of the purposes for which it is
8 organized; or

9 (2) to entities that (i) are organized and operated
10 exclusively for religious purposes, (ii) possess an active
11 Exemption Identification Number issued by the Department
12 pursuant to the Retailers' Occupation Tax Act, and (iii)
13 rent the rooms in furtherance of the purposes for which
14 they are organized.

15 No gross rental receipts are exempt under paragraph (2) of
16 this subsection (d-5) unless the hotel operator obtains the
17 active Exemption Identification Number from the exclusively
18 religious entity to whom it is renting and maintains that
19 number in its books and records. Gross rental receipts from
20 all rentals other than those described in items (1) or (2) of
21 this subsection (d-5) are subject to the tax imposed by this
22 Act unless otherwise exempt under this Act.

23 This subsection (d-5) is exempt from the sunset provisions
24 of Section 3-5 of this Act.
25 (d-10) On and after July 1, 2023, the tax imposed by this
26 Act shall not apply to gross rental receipts received from the

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1 renting, leasing, or letting of rooms to an entity that is
2 organized and operated exclusively by an organization
3 chartered by the United States Congress for the purpose of
4 providing disaster relief and that possesses an active
5 Exemption Identification Number issued by the Department
6 pursuant to the Retailers' Occupation Tax Act if the renting,
7 leasing, or letting of the rooms is in furtherance of the
8 purposes for which the exempt organization is organized. This
9 subsection (d-10) is exempt from the sunset provisions of
10 Section 3-5 of this Act.

11 (e) Persons subject to the tax imposed by this Act may
12 reimburse themselves for their tax liability under this Act by
13 separately stating such tax as an additional charge, which
14 charge may be stated in combination, in a single amount, with
15 any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the
16 Illinois Municipal Code, and Section 25.05-10 of "An Act to
17 revise the law in relation to counties".

18 (f) If any hotel operator collects an amount (however
19 designated) which purports to reimburse such operator for
20 hotel operators' occupation tax liability measured by receipts
21 which are not subject to hotel operators' occupation tax, or
22 if any hotel operator, in collecting an amount (however
23 designated) which purports to reimburse such operator for
24 hotel operators' occupation tax liability measured by receipts
25 which are subject to tax under this Act, collects more from the
26 guest or, until July 1, 2026, from the re-renter than the

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1 operators' hotel operators' occupation tax liability in the
2 transaction is, the guest or re-renter, as applicable, shall

3 have a legal right to claim a refund of such amount from such
4 operator. However, if such amount is not refunded to the guest
5 or re-renter, as applicable, for any reason, the hotel
6 operator is liable to pay such amount to the Department.
7 (Source: P.A. 103-9, eff. 6-7-23; 103-592, eff. 7-1-24.)

8 (35 ILCS 145/3-2)

9 Sec. 3-2. No resale exemption for transactions prior to
10 July 1, 2026; hotel marketplace facilitators subject to tax
11 beginning July 1, 2026 tax incurred by re-renters of hotel
12 rooms. Until July 1, 2026, a A hotel operator who rents,
13 leases, or lets rooms subject to tax under this Act through to
14 a re-renter of hotel rooms incurs the tax under this Act on the
15 gross rental receipts it receives from that re-renter of hotel
16 rooms and cannot claim any resale exemption. In such
17 situations, the re-renter of hotel rooms incurs tax under this
18 Act on its gross rental receipts as provided in Section 3 of
19 this Act, subject to a credit as provided in Section 3-3 for
20 any reimbursement of tax paid to the hotel operator under
21 subsection (e) of Section 3 of this Act. Beginning July 1,
22 2026, a hotel operator who rents, leases, or lets rooms
23 subject to tax under this Act through a re-renter of hotel
24 rooms, a hosting platform for short-term rentals, or through
25 any other person who meets the definition of a hotel

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1 marketplace facilitator and who meets the tax remittance
2 threshold under this Act does not incur the tax under this Act.
3 Instead, the hotel marketplace facilitator incurs the tax
4 under this Act in accordance with the provisions of Section 3.
5 (Source: P.A. 103-592, eff. 7-1-24.)

6 (35 ILCS 145/3-3)

7 Sec. 3-3. Re-renter of hotel rooms; credit for tax
8 reimbursement. For transactions prior to July 1, 2026, a A
9 re-renter of hotel rooms may take a credit against the tax it
10 incurs on the rental of a hotel room under this Act for the
11 amount it paid under subsection (e) of Section 3 of this Act to
12 a hotel operator as reimbursement for the tax incurred under
13 this Act for the rental of that room for the purposes of

14 re-rental.

15 (Source: P.A. 103-592, eff. 7-1-24.)

16 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

17 Sec. 6. Returns; allocation of proceeds.

18 (a) Except as provided hereinafter in this Section, on or
19 before the last day of each calendar month, every person
20 engaged as a hotel operator in this State during the preceding
21 calendar month shall file a return with the Department,
22 stating:

23 1. the name of the operator;

24 2. the operator's ~~his~~ residence address and the

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1 address of the operator's ~~his~~ principal place of business
2 and the address of the principal place of business (if
3 that is a different address) from which he engages in
4 business as a hotel operator in this State (including, if
5 required by the Department, the address of each hotel from
6 which rental receipts were received);

7 3. total amount of rental receipts received by the
8 operator ~~him~~ during the preceding calendar month from
9 engaging in business as a hotel operator during such
10 preceding calendar month;

11 4. total amount of rental receipts received by the
12 operator ~~him~~ during the preceding calendar month from
13 renting, leasing or letting rooms to permanent residents
14 during such preceding calendar month;

15 5. total amount of other exclusions from gross rental
16 receipts allowed by this Act;

17 6. gross rental receipts which were received by the
18 operator ~~him~~ during the preceding calendar month and upon
19 the basis of which the tax is imposed;

20 7. the amount of tax due;

21 8. for transactions prior to July 1, 2026, credit for
22 any reimbursement of tax paid by a re-renter of hotel
23 rooms to hotel operators for rentals purchased for
24 re-rental, as provided in Section 3-3 of this Act;

25 9. such other reasonable information as the Department
26 may require.

1 If the operator's average monthly tax liability to the
2 Department does not exceed \$200, the Department may authorize
3 the operator's ~~his~~ returns to be filed on a quarter annual
4 basis, with the return for January, February and March of a
5 given year being due by April 30 of such year; with the return
6 for April, May and June of a given year being due by July 31 of
7 such year; with the return for July, August and September of a
8 given year being due by October 31 of such year, and with the
9 return for October, November and December of a given year
10 being due by January 31 of the following year.

11 If the operator's average monthly tax liability to the
12 Department does not exceed \$50, the Department may authorize
13 the operator's ~~his~~ returns to be filed on an annual basis, with
14 the return for a given year being due by January 31 of the
15 following year.

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

19 Notwithstanding any other provision in this Act concerning
20 the time within which an operator may file the operator's ~~his~~
21 return, in the case of any operator who ceases to engage in a
22 kind of business which makes the operator ~~him~~ responsible for
23 filing returns under this Act, such operator shall file a
24 final return under this Act with the Department not more than
25 one month after discontinuing such business.

26 Where the same person has more than one business

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

6 In the operator's ~~his~~ return, the operator shall determine

7 the value of any consideration other than money received by
8 the operator ~~him~~ in connection with engaging in business as a
9 hotel operator and the operator ~~he~~ shall include such value in
10 the operator's ~~his~~ return. Such determination shall be subject
11 to review and revision by the Department in the manner
12 hereinafter provided for the correction of returns.

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

17 The person filing the return herein provided for shall, at
18 the time of filing such return, pay to the Department the
19 amount of tax herein imposed. The operator filing the return
20 under this Section shall, at the time of filing such return,
21 pay to the Department the amount of tax imposed by this Act
22 less a discount of 2.1% or \$25 per calendar year, whichever is
23 greater, which is allowed to reimburse the operator for the
24 expenses incurred in keeping records, preparing and filing
25 returns, remitting the tax and supplying data to the
26 Department on request.

1 If any payment provided for in this Section exceeds the
2 operator's liabilities under this Act, as shown on an original
3 return, the Department may authorize the operator to credit
4 such excess payment against liability subsequently to be
5 remitted to the Department under this Act, in accordance with
6 reasonable rules adopted by the Department. If the Department
7 subsequently determines that all or any part of the credit
8 taken was not actually due to the operator, the operator's
9 discount shall be reduced by an amount equal to the difference
10 between the discount as applied to the credit taken and that
11 actually due, and that operator shall be liable for penalties
12 and interest on such difference.

13 (b) Until July 1, 2024, the Department shall deposit the
14 total net revenue realized from the tax imposed under this Act
15 as provided in this subsection (b). Beginning on July 1, 2024,
16 the Department shall deposit the total net revenue realized
17 from the tax imposed under this Act as provided in subsection
18 (c).

19 There shall be deposited into the Build Illinois Fund in
20 the State treasury for each State fiscal year 40% of the amount
21 of total net revenue from the tax imposed by subsection (a) of
22 Section 3. Of the remaining 60%: (i) \$5,000,000 shall be
23 deposited into the Illinois Sports Facilities Fund and
24 credited to the Subsidy Account each fiscal year by making
25 monthly deposits in the amount of 1/8 of \$5,000,000 plus
26 cumulative deficiencies in such deposits for prior months, and

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1 (ii) an amount equal to the then applicable Advance Amount, as
2 defined in subsection (d), shall be deposited into the
3 Illinois Sports Facilities Fund and credited to the Advance
4 Account each fiscal year by making monthly deposits in the
5 amount of 1/8 of the then applicable Advance Amount plus any
6 cumulative deficiencies in such deposits for prior months.
7 (The deposits of the then applicable Advance Amount during
8 each fiscal year shall be treated as advances of funds to the
9 Illinois Sports Facilities Authority for its corporate
10 purposes to the extent paid to the Authority or its trustee and
11 shall be repaid into the General Revenue Fund in the State
12 treasury by the State Treasurer on behalf of the Authority
13 pursuant to Section 19 of the Illinois Sports Facilities
14 Authority Act, as amended. If in any fiscal year the full
15 amount of the then applicable Advance Amount is not repaid
16 into the General Revenue Fund, then the deficiency shall be
17 paid from the amount in the Local Government Distributive Fund
18 that would otherwise be allocated to the City of Chicago under
19 the State Revenue Sharing Act.)

20 Of the remaining 60% of the amount of total net revenue
21 beginning on August 1, 2011 through June 30, 2023, from the tax
22 imposed by subsection (a) of Section 3 after all required
23 deposits into the Illinois Sports Facilities Fund, an amount
24 equal to 8% of the net revenue realized from this Act during
25 the preceding month shall be deposited as follows: 18% of such
26 amount shall be deposited into the Chicago Travel Industry

1 Promotion Fund for the purposes described in subsection (n) of
2 Section 5 of the Metropolitan Pier and Exposition Authority
3 Act and the remaining 82% of such amount shall be deposited
4 into the Local Tourism Fund each month for purposes authorized
5 by Section 605-705 of the Department of Commerce and Economic
6 Opportunity Law. Beginning on August 1, 2011 and through June
7 30, 2023, an amount equal to 4.5% of the net revenue realized
8 from this Act during the preceding month shall be deposited as
9 follows: 55% of such amount shall be deposited into the
10 Chicago Travel Industry Promotion Fund for the purposes
11 described in subsection (n) of Section 5 of the Metropolitan
12 Pier and Exposition Authority Act and the remaining 45% of
13 such amount deposited into the International Tourism Fund for
14 the purposes authorized in Section 605-707 of the Department
15 of Commerce and Economic Opportunity Law.

16 Beginning on July 1, 2023 and until July 1, 2024, of the
17 remaining 60% of the amount of total net revenue realized from
18 the tax imposed under subsection (a) of Section 3, after all
19 required deposits into the Illinois Sports Facilities Fund:

20 (1) an amount equal to 8% of the net revenue realized
21 under this Act for the preceding month shall be deposited
22 as follows: 82% to the Local Tourism Fund and 18% to the
23 Chicago Travel Industry Promotion Fund; and

24 (2) an amount equal to 4.5% of the net revenue
25 realized under this Act for the preceding month shall be
26 deposited as follows: 55% to the Chicago Travel Industry

1 Promotion Fund and 45% to the International Tourism Fund.

2 After making all these deposits, any remaining net revenue
3 realized from the tax imposed under subsection (a) of Section
4 3 shall be deposited into the Tourism Promotion Fund in the
5 State treasury. All moneys received by the Department from the
6 additional tax imposed under subsection (b) of Section 3 shall
7 be deposited into the Build Illinois Fund in the State
8 treasury.

9 (c) Beginning on July 1, 2024, the total net revenue
10 realized from the tax imposed under this Act for the preceding

11 month shall be deposited each month as follows:
12 (1) 50% shall be deposited into the Build Illinois
13 Fund; and
14 (2) the remaining 50% shall be deposited in the
15 following order of priority:
16 (A) First:
17 (i) \$5,000,000 shall be deposited into the
18 Illinois Sports Facilities Fund and credited to
19 the Subsidy Account each fiscal year by making
20 monthly deposits in the amount of one-eighth of
21 \$5,000,000 plus cumulative deficiencies in those
22 deposits for prior months; and
23 (ii) an amount equal to the then applicable
24 Advance Amount, as defined in subsection (d),
25 shall be deposited into the Illinois Sports
26 Facilities Fund and credited to the Advance

1 Account each fiscal year by making monthly
2 deposits in the amount of one-eighth of the then
3 applicable Advance Amount plus any cumulative
4 deficiencies in such deposits for prior months;
5 the deposits of the then applicable Advance Amount
6 during each fiscal year shall be treated as
7 advances of funds to the Illinois Sports
8 Facilities Authority for its corporate purposes to
9 the extent paid to the Illinois Sports Facilities
10 Authority or its trustee and shall be repaid into
11 the General Revenue Fund in the State treasury by
12 the State Treasurer on behalf of the Authority
13 pursuant to Section 19 of the Illinois Sports
14 Facilities Authority Act; if, in any fiscal year,
15 the full amount of the Advance Amount is not
16 repaid into the General Revenue Fund, then the
17 deficiency shall be paid from the amount in the
18 Local Government Distributive Fund that would
19 otherwise be allocated to the City of Chicago
20 under the State Revenue Sharing Act; and
21 (B) after all required deposits into the Illinois
22 Sports Facilities Fund under paragraph (A) have been

23 made each month, the remainder shall be deposited as
24 follows:
25 (i) 56% into the Tourism Promotion Fund;
26 (ii) 23% into the Local Tourism Fund;

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1 (iii) 14% into the Chicago Travel Industry
2 Promotion Fund; and
3 (iv) 7% into the International Tourism Fund.
4 (d) As used in subsections (b) and (c):
5 "Advance Amount" means, for fiscal year 2002, \$22,179,000,
6 and for subsequent fiscal years through fiscal year 2033,
7 105.615% of the Advance Amount for the immediately preceding
8 fiscal year, rounded up to the nearest \$1,000.
9 "Net revenue realized" means the revenue collected by the
10 State under this Act less the amount paid out as refunds to
11 taxpayers for overpayment of liability under this Act.
12 (e) The Department may, upon separate written notice to a
13 taxpayer, require the taxpayer to prepare and file with the
14 Department on a form prescribed by the Department within not
15 less than 60 days after receipt of the notice an annual
16 information return for the tax year specified in the notice.
17 Such annual return to the Department shall include a statement
18 of gross receipts as shown by the operator's last State income
19 tax return. If the total receipts of the business as reported
20 in the State income tax return do not agree with the gross
21 receipts reported to the Department for the same period, the
22 operator shall attach to the operator's ~~his~~ annual information
23 return a schedule showing a reconciliation of the 2 amounts
24 and the reasons for the difference. The operator's annual
25 information return to the Department shall also disclose
26 payroll information of the operator's business during the year

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1 covered by such return and any additional reasonable
2 information which the Department deems would be helpful in

3 determining the accuracy of the monthly, quarterly or annual
4 tax returns by such operator as hereinbefore provided for in
5 this Section.

6 If the annual information return required by this Section
7 is not filed when and as required the taxpayer shall be liable
8 for a penalty in an amount determined in accordance with
9 Section 3-4 of the Uniform Penalty and Interest Act until such
10 return is filed as required, the penalty to be assessed and
11 collected in the same manner as any other penalty provided for
12 in this Act.

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

21 The foregoing portion of this Section concerning the
22 filing of an annual information return shall not apply to an
23 operator who is not required to file an income tax return with
24 the United States Government.

25 (Source: P.A. 103-8, eff. 6-7-23; 103-592, eff. 7-1-24;
26 103-642, eff. 7-1-24; 104-417, eff. 8-15-25.)

ARTICLE 50

1

2 Section 50-5. The Senior Citizens Real Estate Tax Deferral
3 Act is amended by changing Section 3 as follows:

4 (320 ILCS 30/3) (from Ch. 67 1/2, par. 453)

5 Sec. 3. A taxpayer may, on or before March 1 of each year,
6 apply to the county collector of the county where his
7 qualifying property is located, or to the official designated
8 by a unit of local government to collect special assessments
9 on the qualifying property, as the case may be, for a deferral
10 of all or a part of real estate taxes payable during that year
11 for the preceding year in the case of real estate taxes other

12 than special assessments, or for a deferral of any
13 installments payable during that year in the case of special
14 assessments, on all or part of his qualifying property. The
15 application shall be on a form prescribed by the Department
16 and furnished by the collector, (a) showing that the applicant
17 will be 65 years of age or older by June 1 of the year for
18 which a tax deferral is claimed, (b) describing the property
19 and verifying that the property is qualifying property as
20 defined in Section 2, (c) certifying that the taxpayer has
21 owned and occupied as his residence such property or other
22 qualifying property in the State for at least the last 3 years
23 except for any periods during which the taxpayer may have

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1 temporarily resided in a nursing or sheltered care home, and
2 (d) specifying whether the deferral is for all or a part of the
3 taxes, and, if for a part, the amount of deferral applied for.
4 As to qualifying property not having a separate assessed
5 valuation, the taxpayer shall also file with the county
6 collector a written appraisal of the property prepared by a
7 qualified real estate appraiser together with a certificate
8 signed by the appraiser stating that he has personally
9 examined the property and setting forth the value of the land
10 and the value of the buildings thereon occupied by the
11 taxpayer as his residence. The county collector may use
12 eligibility for the Low-Income Senior Citizens Assessment
13 Freeze Homestead Exemption under Section 15-172 of the
14 Property Tax Code as qualification for items (a) and (c).
15 The collector shall grant the tax deferral provided such
16 deferral does not exceed funds available in the Senior
17 Citizens Real Estate Deferred Tax Revolving Fund and provided
18 that the owner or owners of such real property have entered
19 into a tax deferral and recovery agreement with the collector
20 on behalf of the county or other unit of local government,
21 which agreement expressly states:
22 (1) That the total amount of taxes deferred under this
23 Act, plus interest, for the year for which a tax deferral
24 is claimed as well as for those previous years for which
25 taxes are not delinquent and for which such deferral has
26 been claimed may not exceed 80% of the taxpayer's equity

1 interest in the property for which taxes are to be
2 deferred and that, if the total deferred taxes plus
3 interest equals 80% of the taxpayer's equity interest in
4 the property, the taxpayer shall thereafter pay the annual
5 interest due on such deferred taxes plus interest so that
6 total deferred taxes plus interest will not exceed such
7 80% of the taxpayer's equity interest in the property.

8 Effective as of the January 1, 2011 assessment year or tax
9 year 2012 and through the 2021 tax year, the total amount
10 of any such deferral shall not exceed \$5,000 per taxpayer
11 in each tax year. For the 2022 tax year and every tax year
12 ~~thereafter~~ after, the total amount of any such deferral
13 shall not exceed \$7,500 per taxpayer in each tax year.

14 (2) That any real estate taxes deferred under this Act
15 and taxes paid by the Department of Revenue under this Act
16 and any interest accrued thereon are a lien on the real
17 estate and improvements thereon until paid and that the
18 real estate taxes deferred under this Act and taxes paid
19 by the Department of Revenue under this Act, together with
20 all interest and costs that may accrue on those amounts,
21 shall be a prior and first lien on the property, superior
22 to all other liens and encumbrances, until the deferred
23 taxes and taxes paid by the Department of Revenue,
24 interest, and costs are paid in accordance with this Act.

25 If the taxes deferred are for a tax year prior to 2023,
26 then interest shall accrue at the rate of 6% per year. If

1 the taxes deferred are for the 2023 tax year or any tax
2 year thereafter, then interest shall accrue at the rate of
3 3% per year. No sale or transfer of such real property may
4 be legally closed and recorded until the taxes which would
5 otherwise have been due on the property, plus accrued
6 interest, have been paid unless the collector certifies in

7 writing that an arrangement for prompt payment of the
8 amount due has been made with his office. The same shall
9 apply if the property is to be made the subject of a
10 contract of sale.

11 (3) That, upon the death of the taxpayer claiming the
12 deferral, the heirs-at-law, assignees, or legatees shall
13 have first priority to the real property upon which taxes
14 have been deferred by paying in full the total taxes which
15 would otherwise have been due, plus interest. However, if
16 such heir-at-law, assignee, or legatee is a surviving
17 spouse, the tax deferred status of the property shall be
18 continued during the life of that surviving spouse if the
19 spouse is 55 years of age or older within 6 months of the
20 date of death of the taxpayer and enters into a tax
21 deferral and recovery agreement before the time when
22 deferred taxes become due under this Section. Any
23 additional taxes deferred, plus interest, on the real
24 property under a tax deferral and recovery agreement
25 signed by a surviving spouse shall be added to the taxes
26 and interest which would otherwise have been due, and the

1 payment of which has been postponed during the life of
2 such surviving spouse, in determining the 80% equity
3 requirement provided by this Section.

4 (4) That if the taxes due, plus interest, are not paid
5 by the heir-at-law, assignee or legatee or if payment is
6 not postponed during the life of a surviving spouse, the
7 deferred taxes and interest shall be recovered from the
8 estate of the taxpayer within one year of the date of his
9 death. In addition, deferred real estate taxes and any
10 interest accrued thereon are due within 90 days after any
11 tax deferred property ceases to be qualifying property as
12 defined in Section 2.

13 If payment is not made when required by this Section,
14 foreclosure proceedings may be instituted under the
15 Property Tax Code.

16 (5) That any joint owner has given written prior
17 approval for such agreement, which written approval shall
18 be made a part of such agreement.

19 (6) That a guardian for a person under legal
20 disability appointed for a taxpayer who otherwise
21 qualifies under this Act may act for the taxpayer in
22 complying with this Act.

23 (7) That a taxpayer or his agent has provided to the
24 satisfaction of the collector, sufficient evidence that
25 the qualifying property on which the taxes are to be
26 deferred is insured against fire or casualty loss for at

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1 least the total amount of taxes which have been deferred.

2 If the taxes to be deferred are special assessments, the
3 unit of local government making the assessments shall forward
4 a copy of the agreement entered into pursuant to this Section
5 and the bills for such assessments to the county collector of
6 the county in which the qualifying property is located.

7 Notwithstanding any provision of law to the contrary, the
8 real estate taxes deferred under this Act and taxes paid by the
9 Department of Revenue under this Act, together with all
10 interest and costs that may accrue on those amounts, shall be a
11 prior and first lien on the property, superior to all other
12 liens and encumbrances, until the deferred taxes and taxes
13 paid by the Department of Revenue, interest, and costs are
14 paid in accordance with this Act.

15 (Source: P.A. 104-452, eff. 12-12-25; revised 1-8-26.)

16 ARTICLE 65

17 Section 65-5. The State Finance Act is amended by changing
18 Section 6z-22 as follows:

19 (30 ILCS 105/6z-22) (from Ch. 127, par. 142z-22)

20 Sec. 6z-22. Viable public guardianship and advocacy
21 programs, including the public guardianship programs created
22 and supervised in probate proceedings in State courts, are
23 essential to the administration of justice and operation of

1 the court to ensure that incapacitated persons and their
2 estates are protected regardless of their individual capacity
3 to access the courts. Providing independent legal
4 representation for individuals named in proceedings initiated
5 under the Mental Health and Developmental Disabilities Code is
6 essential to the administration of justice and operation of
7 courts so that an individual named in such proceedings,
8 regardless of resources, is afforded counsel that is free of
9 conflicting duties and charged with insuring compliance with
10 the Code's requirements, which is a necessary safeguard to
11 prevent the mental health and developmental disabilities
12 systems from become a tool to oppress rather than serve
13 society. To defray the expense of maintaining and operating
14 the divisions and programs of the Guardianship and Advocacy
15 Commission and to support viable guardianship and advocacy
16 programs throughout the State, each circuit court clerk must
17 remit a portion of the filing and appearance fees, as provided
18 in Section 27.1b of the Clerk of Courts Act, to the State
19 Treasurer for deposit into the Guardianship and Advocacy Fund.
20 All fees or other monies received by the Guardianship and
21 Advocacy Commission incident to the provision of legal or
22 guardianship services to eligible persons or wards pursuant to
23 subsection (i) of Section 5 of the Guardianship and Advocacy
24 Act shall be paid into the Guardianship and Advocacy Fund.
25 Appropriations for the improvement, development, addition
26 or expansion of legal and guardianship services for eligible

1 persons or wards pursuant to Section 5 of the Guardianship and
2 Advocacy Act or for the financing of any program designed to
3 provide such improvement, development, addition or expansion
4 of services or for expenses incurred in administering the
5 Human Rights Authority, Legal Advocacy Service and Office of
6 State Guardian are payable from the Guardianship and Advocacy
7 Fund.
8 (Source: P.A. 86-448; 86-1028.)

9 Section 65-10. The Clerks of Courts Act is amended by

10 changing Section 27.1b as follows:

11 (705 ILCS 105/27.1b)

12 Sec. 27.1b. Circuit court clerk fees. Notwithstanding any
13 other provision of law, all fees charged by the clerks of the
14 circuit court for the services described in this Section shall
15 be established, collected, and disbursed in accordance with
16 this Section. Except as otherwise specified in this Section,
17 all fees under this Section shall be paid in advance and
18 disbursed by each clerk on a monthly basis. In a county with a
19 population of over 3,000,000, units of local government and
20 school districts shall not be required to pay fees under this
21 Section in advance and the clerk shall instead send an
22 itemized bill to the unit of local government or school
23 district, within 30 days of the fee being incurred, and the
24 unit of local government or school district shall be allowed

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1 at least 30 days from the date of the itemized bill to pay;
2 these payments shall be disbursed by each clerk on a monthly
3 basis. Unless otherwise specified in this Section, the amount
4 of a fee shall be determined by ordinance or resolution of the
5 county board and remitted to the county treasurer to be used
6 for purposes related to the operation of the court system in
7 the county. In a county with a population of over 3,000,000,
8 any amount retained by the clerk of the circuit court or
9 remitted to the county treasurer shall be subject to
10 appropriation by the county board.

11 (a) Civil cases. The fee for filing a complaint, petition,
12 or other pleading initiating a civil action shall be as set
13 forth in the applicable schedule under this subsection in
14 accordance with case categories established by the Supreme
15 Court in schedules.

16 (1) SCHEDULE 1: not to exceed a total of ~~\$371~~ ~~\$366~~ in a
17 county with a population of 3,000,000 or more and not to
18 exceed ~~\$321~~ ~~\$316~~ in any other county, except as applied to
19 units of local government and school districts in counties
20 with more than 3,000,000 inhabitants an amount not to
21 exceed ~~\$195~~ ~~\$190~~ through December 31, 2021 and ~~\$184~~ on and
22 after January 1, 2022. The fees collected under this

schedule shall be disbursed as follows:

(A) The clerk shall retain a sum, in an amount not to exceed \$55 in a county with a population of 3,000,000 or more and in an amount not to exceed \$45 in

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any other county determined by the clerk with the approval of the Supreme Court, to be used for court automation, court document storage, and administrative purposes.

(B) The clerk shall remit up to ~~\$26~~ ~~\$21~~ to the State Treasurer. The State Treasurer shall deposit the appropriate amounts, in accordance with the clerk's instructions, as follows:

(i) up to \$10, as specified by the Supreme Court in accordance with Part 10A of Article II of the Code of Civil Procedure, into the Mandatory Arbitration Fund;

(ii) \$2 into the Access to Justice Fund; and

(iii) \$5 into the Guardianship and Advocacy Fund; and

(iv) (iii) \$9 into the Supreme Court Special Purposes Fund.

(C) The clerk shall remit a sum to the County Treasurer, in an amount not to exceed \$290 in a county with a population of 3,000,000 or more and in an amount not to exceed \$250 in any other county, as specified by ordinance or resolution passed by the county board, for purposes related to the operation of the court system in the county.

(2) SCHEDULE 2: not to exceed a total of ~~\$362~~ ~~\$357~~ in a county with a population of 3,000,000 or more and not to

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exceed \$266 in any other county, except as applied to units of local government and school districts in counties

3 with more than 3,000,000 inhabitants an amount not to
4 exceed \$190 through December 31, 2021 and \$184 on and
5 after January 1, 2022. The fees collected under this
6 schedule shall be disbursed as follows:

7 (A) The clerk shall retain a sum, in an amount not
8 to exceed \$55 in a county with a population of
9 3,000,000 or more and in an amount not to exceed \$45 in
10 any other county determined by the clerk with the
11 approval of the Supreme Court, to be used for court
12 automation, court document storage, and administrative
13 purposes.

14 (B) The clerk shall remit up to \$21 to the State
15 Treasurer. The State Treasurer shall deposit the
16 appropriate amounts, in accordance with the clerk's
17 instructions, as follows:

18 (i) up to \$10, as specified by the Supreme
19 Court in accordance with Part 10A of Article II of
20 the Code of Civil Procedure, into the Mandatory
21 Arbitration Fund;

22 (ii) \$2 into the Access to Justice Fund: and

23 (iii) \$9 into the Supreme Court Special
24 Purposes Fund.

25 (C) The clerk shall remit a sum to the County
26 Treasurer, in an amount not to exceed \$281 in a county

1 with a population of 3,000,000 or more and in an amount
2 not to exceed \$200 in any other county, as specified by
3 ordinance or resolution passed by the county board,
4 for purposes related to the operation of the court
5 system in the county.

6 (3) SCHEDULE 3: not to exceed a total of ~~\$270~~ \$265 in a
7 county with a population of 3,000,000 or more and not to
8 exceed ~~\$94~~ \$89 in any other county, except as applied to
9 units of local government and school districts in counties
10 with more than 3,000,000 inhabitants an amount not to
11 exceed ~~\$195~~ \$190 through December 31, 2021 and ~~\$184~~ on and
12 after January 1, 2022. The fees collected under this
13 schedule shall be disbursed as follows:

14 (A) The clerk shall retain a sum, in an amount not

to exceed \$55 in a county with a population of 3,000,000 or more and in an amount not to exceed \$22 in any other county determined by the clerk with the approval of the Supreme Court, to be used for court automation, court document storage, and administrative purposes.

(B) The clerk shall remit ~~\$16~~ ~~\$11~~ to the State Treasurer. The State Treasurer shall deposit the appropriate amounts in accordance with the clerk's instructions, as follows:

(i) \$2 into the Access to Justice Fund; and

(ii) \$5 into the Guardianship and Advocacy

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Fund; and

(iii) ~~(ii)~~ \$9 into the Supreme Court Special Purposes Fund.

(C) The clerk shall remit a sum to the County Treasurer, in an amount not to exceed \$199 in a county with a population of 3,000,000 or more and in an amount not to exceed \$56 in any other county, as specified by ordinance or resolution passed by the county board, for purposes related to the operation of the court system in the county.

(4) SCHEDULE 4: \$0.

(b) Appearance. The fee for filing an appearance in a civil action, including a cannabis civil law action under the Cannabis Control Act, shall be as set forth in the applicable schedule under this subsection in accordance with case categories established by the Supreme Court in schedules.

(1) SCHEDULE 1: not to exceed a total of ~~\$235~~ ~~\$230~~ in a county with a population of 3,000,000 or more and not to exceed ~~\$196~~ ~~\$191~~ in any other county, except as applied to units of local government and school districts in counties with more than 3,000,000 inhabitants an amount not to exceed ~~\$80~~ ~~\$75~~. The fees collected under this schedule shall be disbursed as follows:

(A) The clerk shall retain a sum, in an amount not to exceed \$50 in a county with a population of 3,000,000 or more and in an amount not to exceed \$45 in

1 any other county determined by the clerk with the
2 approval of the Supreme Court, to be used for court
3 automation, court document storage, and administrative
4 purposes.

5 (B) The clerk shall remit up to ~~\$26~~ ~~\$21~~ to the
6 State Treasurer. The State Treasurer shall deposit the
7 appropriate amounts, in accordance with the clerk's
8 instructions, as follows:

9 (i) up to \$10, as specified by the Supreme
10 Court in accordance with Part 10A of Article II of
11 the Code of Civil Procedure, into the Mandatory
12 Arbitration Fund;

13 (ii) \$2 into the Access to Justice Fund; ~~and~~

14 ~~(iii) \$5 into the Guardianship and Advocacy~~
15 ~~Fund; and~~

16 ~~(iv) (iii) \$9 into the Supreme Court Special~~
17 ~~Purposes Fund.~~

18 (C) The clerk shall remit a sum to the County
19 Treasurer, in an amount not to exceed \$159 in a county
20 with a population of 3,000,000 or more and in an amount
21 not to exceed \$125 in any other county, as specified by
22 ordinance or resolution passed by the county board,
23 for purposes related to the operation of the court
24 system in the county.

25 (2) SCHEDULE 2: not to exceed a total of ~~\$135~~ ~~\$130~~ in a
26 county with a population of 3,000,000 or more and not to

1 exceed ~~\$114~~ ~~\$109~~ in any other county, except as applied to
2 units of local government and school districts in counties
3 with more than 3,000,000 inhabitants an amount not to
4 exceed ~~\$80~~ ~~\$75~~. The fees collected under this schedule
5 shall be disbursed as follows:

6 (A) The clerk shall retain a sum, in an amount not

7 to exceed \$50 in a county with a population of
8 3,000,000 or more and in an amount not to exceed \$10 in
9 any other county determined by the clerk with the
10 approval of the Supreme Court, to be used for court
11 automation, court document storage, and administrative
12 purposes.

13 (B) The clerk shall remit up to \$14 \$9 to the State
14 Treasurer. ~~The , which the~~ State Treasurer shall
15 deposit the appropriate amounts, in accordance with
16 the clerk's instructions, as follows: into the Supreme
17 Court Special Purposes Fund.

18 (i) \$5 into the Guardianship and Advocacy
19 Fund; and

20 (ii) \$9 into the Supreme Court Special
21 Purposes Fund.

22 (C) The clerk shall remit a sum to the County
23 Treasurer, in an amount not to exceed \$71 in a county
24 with a population of 3,000,000 or more and in an amount
25 not to exceed \$90 in any other county, as specified by
26 ordinance or resolution passed by the county board,

1 for purposes related to the operation of the court
2 system in the county.

3 (3) SCHEDULE 3: \$0.

4 (b-5) Kane County and Will County. In Kane County and Will
5 County civil cases, there is an additional fee of up to \$30 as
6 set by the county board under Section 5-1101.3 of the Counties
7 Code to be paid by each party at the time of filing the first
8 pleading, paper, or other appearance; provided that no
9 additional fee shall be required if more than one party is
10 represented in a single pleading, paper, or other appearance.
11 Distribution of fees collected under this subsection (b-5)
12 shall be as provided in Section 5-1101.3 of the Counties Code.

13 (c) Counterclaim or third party complaint. When any
14 defendant files a counterclaim or third party complaint, as
15 part of the defendant's answer or otherwise, the defendant
16 shall pay a filing fee for each counterclaim or third party
17 complaint in an amount equal to the filing fee the defendant
18 would have had to pay had the defendant brought a separate

19 action for the relief sought in the counterclaim or third
20 party complaint, less the amount of the appearance fee, if
21 any, that the defendant has already paid in the action in which
22 the counterclaim or third party complaint is filed.

23 (d) Alias summons. The clerk shall collect a fee not to
24 exceed \$6 in a county with a population of 3,000,000 or more
25 and not to exceed \$5 in any other county for each alias summons
26 or citation issued by the clerk, except as applied to units of

1 local government and school districts in counties with more
2 than 3,000,000 inhabitants an amount not to exceed \$5 for each
3 alias summons or citation issued by the clerk.

4 (e) Jury services. The clerk shall collect, in addition to
5 other fees allowed by law, a sum not to exceed \$212.50, as a
6 fee for the services of a jury in every civil action not
7 quasi-criminal in its nature and not a proceeding for the
8 exercise of the right of eminent domain and in every other
9 action wherein the right of trial by jury is or may be given by
10 law. The jury fee shall be paid by the party demanding a jury
11 at the time of filing the jury demand. If the fee is not paid
12 by either party, no jury shall be called in the action or
13 proceeding, and the action or proceeding shall be tried by the
14 court without a jury.

15 (f) Change of venue. In connection with a change of venue:

16 (1) The clerk of the jurisdiction from which the case
17 is transferred may charge a fee, not to exceed \$40, for the
18 preparation and certification of the record; and

19 (2) The clerk of the jurisdiction to which the case is
20 transferred may charge the same filing fee as if it were
21 the commencement of a new suit.

22 (g) Petition to vacate or modify.

23 (1) In a proceeding involving a petition to vacate or
24 modify any final judgment or order filed within 30 days
25 after the judgment or order was entered, except for an
26 eviction case, small claims case, petition to reopen an

1 estate, petition to modify, terminate, or enforce a
2 judgment or order for child or spousal support, or
3 petition to modify, suspend, or terminate an order for
4 withholding, the fee shall not exceed \$60 in a county with
5 a population of 3,000,000 or more and shall not exceed \$50
6 in any other county, except as applied to units of local
7 government and school districts in counties with more than
8 3,000,000 inhabitants an amount not to exceed \$50.

9 (2) In a proceeding involving a petition to vacate or
10 modify any final judgment or order filed more than 30 days
11 after the judgment or order was entered, except for a
12 petition to modify, terminate, or enforce a judgment or
13 order for child or spousal support, or petition to modify,
14 suspend, or terminate an order for withholding, the fee
15 shall not exceed \$75.

16 (3) In a proceeding involving a motion to vacate or
17 amend a final order, motion to vacate an ex parte
18 judgment, judgment of forfeiture, or "failure to appear"
19 or "failure to comply" notices sent to the Secretary of
20 State, the fee shall equal \$40.

21 (h) Appeals preparation. The fee for preparation of a
22 record on appeal shall be based on the number of pages, as
23 follows:

24 (1) if the record contains no more than 100 pages, the
25 fee shall not exceed \$70 in a county with a population of
26 3,000,000 or more and shall not exceed \$50 in any other

1 county;

2 (2) if the record contains between 100 and 200 pages,
3 the fee shall not exceed \$100; and

4 (3) if the record contains 200 or more pages, the
5 clerk may collect an additional fee not to exceed 25 cents
6 per page.

7 (i) Remands. In any cases remanded to the circuit court
8 from the Supreme Court or the appellate court for a new trial,
9 the clerk shall reinstate the case with either its original
10 number or a new number. The clerk shall not charge any new or

11 additional fee for the reinstatement. Upon reinstatement, the
12 clerk shall advise the parties of the reinstatement. Parties
13 shall have the same right to a jury trial on remand and
14 reinstatement that they had before the appeal, and no
15 additional or new fee or charge shall be made for a jury trial
16 after remand.

17 (j) Garnishment, wage deduction, and citation. In
18 garnishment affidavit, wage deduction affidavit, and citation
19 petition proceedings:

20 (1) if the amount in controversy in the proceeding is
21 not more than \$1,000, the fee may not exceed \$35 in a
22 county with a population of 3,000,000 or more and may not
23 exceed \$15 in any other county, except as applied to units
24 of local government and school districts in counties with
25 more than 3,000,000 inhabitants an amount not to exceed
26 \$15;

1 (2) if the amount in controversy in the proceeding is
2 greater than \$1,000 and not more than \$5,000, the fee may
3 not exceed \$45 in a county with a population of 3,000,000
4 or more and may not exceed \$30 in any other county, except
5 as applied to units of local government and school
6 districts in counties with more than 3,000,000 inhabitants
7 an amount not to exceed \$30; and

8 (3) if the amount in controversy in the proceeding is
9 greater than \$5,000, the fee may not exceed \$65 in a county
10 with a population of 3,000,000 or more and may not exceed
11 \$50 in any other county, except as applied to units of
12 local government and school districts in counties with
13 more than 3,000,000 inhabitants an amount not to exceed
14 \$50.

15 (j-5) Debt collection. In any proceeding to collect a debt
16 subject to the exception in item (ii) of subparagraph (A-5) of
17 paragraph (1) of subsection (z) of this Section, the circuit
18 court shall order and the clerk shall collect from each
19 judgment debtor a fee of:

20 (1) \$35 if the amount in controversy in the proceeding
21 is not more than \$1,000;

22 (2) \$45 if the amount in controversy in the proceeding

23 is greater than \$1,000 and not more than \$5,000; and
24 (3) \$65 if the amount in controversy in the proceeding
25 is greater than \$5,000.
26 (k) Collections.

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1 (1) For all collections made of others, except the
2 State and county and except in maintenance or child
3 support cases, the clerk may collect a fee of up to 2.5% of
4 the amount collected and turned over.

5 (2) In child support and maintenance cases, the clerk
6 may collect an annual fee of up to \$36 from the person
7 making payment for maintaining child support records and
8 the processing of support orders to the State of Illinois
9 KIDS system and the recording of payments issued by the
10 State Disbursement Unit for the official record of the
11 Court. This fee is in addition to and separate from
12 amounts ordered to be paid as maintenance or child support
13 and shall be deposited into a Separate Maintenance and
14 Child Support Collection Fund, of which the clerk shall be
15 the custodian, ex officio, to be used by the clerk to
16 maintain child support orders and record all payments
17 issued by the State Disbursement Unit for the official
18 record of the Court. The clerk may recover from the person
19 making the maintenance or child support payment any
20 additional cost incurred in the collection of this annual
21 fee.

22 (3) The clerk may collect a fee of \$5 for
23 certifications made to the Secretary of State as provided
24 in Section 7-703 of the Illinois Vehicle Code, and this
25 fee shall be deposited into the Separate Maintenance and
26 Child Support Collection Fund.

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1 (4) In proceedings to foreclose the lien of delinquent
2 real estate taxes, State's Attorneys shall receive a fee

3 of 10% of the total amount realized from the sale of real
4 estate sold in the proceedings. The clerk shall collect
5 the fee from the total amount realized from the sale of the
6 real estate sold in the proceedings and remit to the
7 County Treasurer to be credited to the earnings of the
8 Office of the State's Attorney.

9 (l) Mailing. The fee for the clerk mailing documents shall
10 not exceed \$10 plus the cost of postage.

11 (m) Certified copies. The fee for each certified copy of a
12 judgment, after the first copy, shall not exceed \$10.

13 (n) Certification, authentication, and reproduction.

14 (1) The fee for each certification or authentication
15 for taking the acknowledgment of a deed or other
16 instrument in writing with the seal of office shall not
17 exceed \$6.

18 (2) The fee for reproduction of any document contained
19 in the clerk's files shall not exceed:

20 (A) \$2 for the first page;

21 (B) 50 cents per page for the next 19 pages; and

22 (C) 25 cents per page for all additional pages.

23 (o) Record search. For each record search, within a
24 division or municipal district, the clerk may collect a search
25 fee not to exceed \$6 for each year searched.

26 (p) Hard copy. For each page of hard copy print output,

1 when case records are maintained on an automated medium, the
2 clerk may collect a fee not to exceed \$10 in a county with a
3 population of 3,000,000 or more and not to exceed \$6 in any
4 other county, except as applied to units of local government
5 and school districts in counties with more than 3,000,000
6 inhabitants an amount not to exceed \$6.

7 (q) Index inquiry and other records. No fee shall be
8 charged for a single plaintiff and defendant index inquiry or
9 single case record inquiry when this request is made in person
10 and the records are maintained in a current automated medium,
11 and when no hard copy print output is requested. The fees to be
12 charged for management records, multiple case records, and
13 multiple journal records may be specified by the Chief Judge
14 pursuant to the guidelines for access and dissemination of

15 information approved by the Supreme Court.

16 (r) Performing a marriage. There shall be a \$10 fee for
17 performing a marriage in court.

18 (s) Voluntary assignment. For filing each deed of
19 voluntary assignment, the clerk shall collect a fee not to
20 exceed \$20. For recording a deed of voluntary assignment, the
21 clerk shall collect a fee not to exceed 50 cents for each 100
22 words. Exceptions filed to claims presented to an assignee of
23 a debtor who has made a voluntary assignment for the benefit of
24 creditors shall be considered and treated, for the purpose of
25 taxing costs therein, as actions in which the party or parties
26 filing the exceptions shall be considered as party or parties

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1 plaintiff, and the claimant or claimants as party or parties
2 defendant, and those parties respectively shall pay to the
3 clerk the same fees as provided by this Section to be paid in
4 other actions.

5 (t) Expungement petition. Except as provided in Sections
6 1-19 and 5-915 of the Juvenile Court Act of 1987, the clerk may
7 collect a fee not to exceed \$60 for each expungement petition
8 filed and an additional fee not to exceed \$4 for each certified
9 copy of an order to expunge arrest records.

10 (u) Transcripts of judgment. For the filing of a
11 transcript of judgment, the clerk may collect the same fee as
12 if it were the commencement of a new suit.

13 (v) Probate filings.

14 (1) For each account (other than one final account)
15 filed in the estate of a decedent, ~~or ward~~, the fee shall
16 not exceed \$25. No fee may be charged for accounts filed
17 for guardianships established for minors pursuant to
18 Article XI of the Probate Act of 1975 or for disabled
19 adults under Article XIa of the Probate Act of 1975.

20 (2) For filing a claim in an estate when the amount
21 claimed is greater than \$150 and not more than \$500, the
22 fee shall not exceed \$40 in a county with a population of
23 3,000,000 or more and shall not exceed \$25 in any other
24 county; when the amount claimed is greater than \$500 and
25 not more than \$10,000, the fee shall not exceed \$55 in a
26 county with a population of 3,000,000 or more and shall

1 not exceed \$40 in any other county; and when the amount
2 claimed is more than \$10,000, the fee shall not exceed \$75
3 in a county with a population of 3,000,000 or more and
4 shall not exceed \$60 in any other county; except the court
5 in allowing a claim may add to the amount allowed the
6 filing fee paid by the claimant.

7 (3) For filing in an estate a claim, petition, or
8 supplemental proceeding based upon an action seeking
9 equitable relief including the construction or contest of
10 a will, enforcement of a contract to make a will, and
11 proceedings involving testamentary trusts or the
12 appointment of testamentary trustees, the fee shall not
13 exceed \$60.

14 (4) There shall be no fee for filing in an estate: (i)
15 the appearance of any person for the purpose of consent;
16 or (ii) the appearance of an executor, administrator,
17 administrator to collect, guardian, guardian ad litem, or
18 special administrator.

19 (5) For each jury demand, the fee shall not exceed
20 \$137.50.

21 (6) For each certified copy of letters of office, of
22 court order, or other certification, the fee shall not
23 exceed \$2 per page.

24 (7) For each exemplification, the fee shall not exceed
25 \$2, plus the fee for certification.

26 (8) The executor, administrator, guardian, petitioner,

1 or other interested person or his or her attorney shall
2 pay the cost of publication by the clerk directly to the
3 newspaper.

4 (9) The person on whose behalf a charge is incurred
5 for witness, court reporter, appraiser, or other
6 miscellaneous fees shall pay the same directly to the

7 person entitled thereto.

8 (10) The executor, administrator, guardian,
9 petitioner, or other interested person or his or her
10 attorney shall pay to the clerk all postage charges
11 incurred by the clerk in mailing petitions, orders,
12 notices, or other documents pursuant to the provisions of
13 the Probate Act of 1975.

14 (w) Corrections of numbers. For correction of the case
15 number, case title, or attorney computer identification
16 number, if required by rule of court, on any document filed in
17 the clerk's office, to be charged against the party that filed
18 the document, the fee shall not exceed \$25.

19 (x) Miscellaneous.

20 (1) Interest earned on any fees collected by the clerk
21 shall be turned over to the county general fund as an
22 earning of the office.

23 (2) For any check, draft, or other bank instrument
24 returned to the clerk for non-sufficient funds, account
25 closed, or payment stopped, the clerk shall collect a fee
26 of \$25.

1 (y) Other fees. Any fees not covered in this Section shall
2 be set by rule or administrative order of the circuit court
3 with the approval of the Administrative Office of the Illinois
4 Courts. The clerk of the circuit court may provide services in
5 connection with the operation of the clerk's office, other
6 than those services mentioned in this Section, as may be
7 requested by the public and agreed to by the clerk and approved
8 by the Chief Judge. Any charges for additional services shall
9 be as agreed to between the clerk and the party making the
10 request and approved by the Chief Judge. Nothing in this
11 subsection shall be construed to require any clerk to provide
12 any service not otherwise required by law.

13 (y-5) Unpaid fees. Unless a court ordered payment schedule
14 is implemented or the fee requirements of this Section are
15 waived under a court order, the clerk of the circuit court may
16 add to any unpaid fees and costs under this Section a
17 delinquency amount equal to 5% of the unpaid fees that remain
18 unpaid after 30 days, 10% of the unpaid fees that remain unpaid

19 after 60 days, and 15% of the unpaid fees that remain unpaid
20 after 90 days. Notice to those parties may be made by signage
21 posting or publication. The additional delinquency amounts
22 collected under this Section shall be deposited into the
23 Circuit Court Clerk Operations and Administration Fund and
24 used to defray additional administrative costs incurred by the
25 clerk of the circuit court in collecting unpaid fees and
26 costs.

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1 (z) Exceptions.

2 (1) No fee authorized by this Section shall apply to:

3 (A) police departments or other law enforcement
4 agencies. In this Section, "law enforcement agency"
5 means: an agency of the State or agency of a unit of
6 local government which is vested by law or ordinance
7 with the duty to maintain public order and to enforce
8 criminal laws or ordinances; the Attorney General; or
9 any State's Attorney;

10 (A-5) any unit of local government or school
11 district, except in counties having a population of
12 500,000 or more the county board may by resolution set
13 fees for units of local government or school districts
14 no greater than the minimum fees applicable in
15 counties with a population less than 3,000,000;
16 provided however, no fee may be charged to any unit of
17 local government or school district in connection with
18 any action which, in whole or in part, is: (i) to
19 enforce an ordinance; (ii) to collect a debt; or (iii)
20 under the Administrative Review Law;

21 (B) any action instituted by the corporate
22 authority of a municipality with more than 1,000,000
23 inhabitants under Section 11-31-1 of the Illinois
24 Municipal Code and any action instituted under
25 subsection (b) of Section 11-31-1 of the Illinois
26 Municipal Code by a private owner or tenant of real

1 property within 1,200 feet of a dangerous or unsafe
2 building seeking an order compelling the owner or
3 owners of the building to take any of the actions
4 authorized under that subsection;

5 (C) any commitment petition, petition for
6 discharge petition, or petition for an order
7 authorizing the administration of psychotropic
8 medication or electroconvulsive therapy under the
9 Mental Health and Developmental Disabilities Code;

10 (D) a petitioner in any order of protection
11 proceeding, including, but not limited to, fees for
12 filing, modifying, withdrawing, certifying, or
13 photocopying petitions for orders of protection,
14 issuing alias summons, any related filing service, or
15 certifying, modifying, vacating, or photocopying any
16 orders of protection;

17 (E) proceedings for the appointment of a
18 confidential intermediary under the Adoption Act;

19 (F) a minor subject to Article III, IV, or V of the
20 Juvenile Court Act of 1987, or the minor's parent,
21 guardian, or legal custodian; or

22 (G) a minor under the age of 18 transferred to
23 adult court or excluded from juvenile court
24 jurisdiction under Article V of the Juvenile Court Act
25 of 1987, or the minor's parent, guardian, or legal
26 custodian.

1 (2) No fee other than the filing fee contained in the
2 applicable schedule in subsection (a) shall be charged to
3 any person in connection with an adoption proceeding.

4 (3) Upon good cause shown, the court may waive any
5 fees associated with a special needs adoption. The term
6 "special needs adoption" has the meaning provided by the
7 Illinois Department of Children and Family Services.

8 (4) No fee may be charged for the filing of an
9 appearance by any defendant in a small claim proceeding.
10 As used in this Section, "small claim" means a proceeding

11 as defined in Supreme Court Rule 281.
12 (Source: P.A. 103-4, eff. 5-31-23; 103-379, eff. 7-28-23;
13 103-605, eff. 7-1-24; 104-120, eff. 1-1-26.)
14 (705 ILCS 105/27.3f rep.)
15 Section 65-15. The Clerks of Courts Act is amended by
16 repealing Section 27.3f.

ARTICLE 70

17
18 Section 70-5. The Department of Commerce and Economic
19 Opportunity Law of the Civil Administrative Code of Illinois
20 is amended by changing Section 605-1025 as follows:
21 (20 ILCS 605/605-1025)
22 Sec. 605-1025. Data center investment.

1 (a) The Department shall issue certificates of exemption
2 from the Retailers' Occupation Tax Act, the Use Tax Act, the
3 Service Use Tax Act, and the Service Occupation Tax Act, all
4 locally-imposed retailers' occupation taxes administered and
5 collected by the Department of Revenue, the Chicago non-titled
6 Use Tax, and a credit certification against the taxes imposed
7 under subsections (a) and (b) of Section 201 of the Illinois
8 Income Tax Act to qualifying Illinois data centers.

9 (b) For taxable years beginning on or after January 1,
10 2019, the Department shall award credits against the taxes
11 imposed under subsections (a) and (b) of Section 201 of the
12 Illinois Income Tax Act as provided in Section 229 of the
13 Illinois Income Tax Act.

14 (c) For purposes of this Section:

15 "Data center" means a facility: (1) whose primary
16 services are the storage, management, and processing of
17 digital data; and (2) that is used to house (i) computer
18 and network systems, including associated components such
19 as servers, network equipment and appliances,
20 telecommunications, and data storage systems, (ii) systems
21 for monitoring and managing infrastructure performance,
22 (iii) Internet-related equipment and services, (iv) data

communications connections, (v) environmental controls,
(vi) fire protection systems, and (vii) security systems
and services.

"Qualifying Illinois data center" means a new or

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existing data center that:

(1) is located in the State of Illinois;

(2) in the case of an existing data center, made a
capital investment of at least \$250,000,000
collectively by the data center operator and the
tenants of the data center over the 60-month period
immediately prior to January 1, 2020 or committed to
make a capital investment of at least \$250,000,000
over a 60-month period commencing before January 1,
2020 and ending after January 1, 2020; or

(3) in the case of a new data center, or an
existing data center making an upgrade, makes a
capital investment of at least \$250,000,000 over a
60-month period beginning on or after January 1, 2020;
and

(4) in the case of both existing and new data
centers, results in the creation of at least 20
full-time or full-time equivalent new jobs over a
period of 60 months by the data center operator and the
tenants of the data center, collectively, associated
with the operation or maintenance of the data center;
those jobs must have a total compensation equal to or
greater than 120% of the average wage paid to
full-time employees in the county where the data
center is located, as determined by the U.S. Bureau of
Labor Statistics; and

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(5) within 2 years after being placed in service,
certifies to the Department that it is carbon neutral

3 or has attained certification under one or more of the
4 following green building standards:

- 5 (A) BREEAM for New Construction or BREEAM
6 In-Use;
- 7 (B) ENERGY STAR;
- 8 (C) Envision;
- 9 (D) ISO 50001-energy management;
- 10 (E) LEED for Building Design and Construction
11 or LEED for Operations and Maintenance;
- 12 (F) Green Globes for New Construction or Green
13 Globes for Existing Buildings;
- 14 (G) UL 3223; or
- 15 (H) an equivalent program approved by the
16 Department of Commerce and Economic Opportunity.

17 "Full-time equivalent job" means a job in which the
18 new employee works for the owner, operator, contractor, or
19 tenant of a data center or for a corporation under
20 contract with the owner, operator or tenant of a data
21 center at a rate of at least 35 hours per week. An owner,
22 operator or tenant who employs labor or services at a
23 specific site or facility under contract with another may
24 declare one full-time, permanent job for every 1,820 man
25 hours worked per year under that contract. Vacations, paid
26 holidays, and sick time are included in this computation.

1 Overtime is not considered a part of regular hours.

2 "Qualified tangible personal property" means:
3 electrical systems and equipment; climate control and
4 chilling equipment and systems; mechanical systems and
5 equipment; monitoring and secure systems; emergency
6 generators; hardware; computers; servers; data storage
7 devices; network connectivity equipment; racks; cabinets;
8 telecommunications cabling infrastructure; raised floor
9 systems; peripheral components or systems; software;
10 mechanical, electrical, or plumbing systems; battery
11 systems; cooling systems and towers; temperature control
12 systems; other cabling; and other data center
13 infrastructure equipment and systems necessary to operate
14 qualified tangible personal property, including fixtures;

15 and component parts of any of the foregoing, including
16 installation, maintenance, repair, refurbishment, and
17 replacement of qualified tangible personal property to
18 generate, transform, transmit, distribute, or manage
19 electricity necessary to operate qualified tangible
20 personal property; and all other tangible personal
21 property that is essential to the operations of a computer
22 data center. "Qualified tangible personal property" also
23 includes building materials physically incorporated in to
24 the qualifying data center.

25 To document the exemption allowed under this Section, the
26 retailer must obtain from the purchaser a copy of the

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1 certificate of eligibility issued by the Department.

2 (d) New and existing data centers seeking a certificate of
3 exemption for new or existing facilities shall apply to the
4 Department in the manner specified by the Department. The
5 Department shall determine the duration of the certificate of
6 exemption awarded under this Act. The duration of the
7 certificate of exemption may not exceed 20 calendar years. The
8 Department and any data center seeking the exemption,
9 including a data center operator on behalf of itself and its
10 tenants, must enter into a memorandum of understanding that at
11 a minimum provides:

12 (1) the details for determining the amount of capital
13 investment to be made;

14 (2) the number of new jobs created;

15 (3) the timeline for achieving the capital investment
16 and new job goals;

17 (4) the repayment obligation should those goals not be
18 achieved and any conditions under which repayment by the
19 qualifying data center or data center tenant claiming the
20 exemption will be required;

21 (5) the duration of the exemption; and

22 (6) other provisions as deemed necessary by the
23 Department.

24 (e) Beginning July 1, 2021, and each year thereafter, the
25 Department shall annually report to the Governor and the
26 General Assembly on the outcomes and effectiveness of Public

1 Act 101-31 that shall include the following:

- 2 (1) the name of each recipient business;
- 3 (2) the location of the project;
- 4 (3) the estimated value of the credit;
- 5 (4) the number of new jobs and, if applicable,
- 6 retained jobs pledged as a result of the project; and
- 7 (5) whether or not the project is located in an
- 8 underserved area.

9 (f) New and existing data centers seeking a certificate of
10 exemption related to the rehabilitation or construction of
11 data centers in the State shall require the contractor and all
12 subcontractors to comply with the requirements of Section
13 30-22 of the Illinois Procurement Code as they apply to
14 responsible bidders and to present satisfactory evidence of
15 that compliance to the Department.

16 (g) New and existing data centers seeking a certificate of
17 exemption for the rehabilitation or construction of data
18 centers in the State shall require the contractor to enter
19 into a project labor agreement approved by the Department.

20 (h) Any qualifying data center issued a certificate of
21 exemption under this Section must annually report to the
22 Department the total data center tax benefits that are
23 received by the business. Reports are due no later than May 31
24 of each year and shall cover the previous calendar year. The
25 first report is for the 2019 calendar year and is due no later
26 than May 31, 2020.

1 To the extent that a business issued a certificate of
2 exemption under this Section has obtained an Enterprise Zone
3 Building Materials Exemption Certificate or a High Impact
4 Business Building Materials Exemption Certificate, no
5 additional reporting for those building materials exemption
6 benefits is required under this Section.

7 Failure to file a report under this subsection (h) may
8 result in suspension or revocation of the certificate of
9 exemption. Factors to be considered in determining whether a
10 data center certificate of exemption shall be suspended or
11 revoked include, but are not limited to, prior compliance with
12 the reporting requirements, cooperation in discontinuing and
13 correcting violations, the extent of the violation, and
14 whether the violation was willful or inadvertent.

15 (i) The Department shall not issue any new certificates of
16 exemption under the provisions of this Section after July 1,
17 2029. This sunset shall not affect any existing certificates
18 of exemption in effect on July 1, 2029.

19 (j) The Department shall adopt rules to implement and
20 administer this Section.

21 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 12-13-19;
22 102-427, eff. 8-20-21; 102-558, eff. 8-20-21.)

23 Section 70-10. The Department of Revenue Law of the Civil
24 Administrative Code of Illinois is amended by changing Section
25 2505-70 as follows:

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1 (20 ILCS 2505/2505-70) (was 20 ILCS 2505/39b24)

2 Sec. 2505-70. ~~Messages Tax Act~~; Gas Revenue Tax Act. The
3 Department has the power to exercise all the rights, powers,
4 and duties vested in the Department by the ~~Messages Tax Act~~ and
5 ~~the~~ Gas Revenue Tax Act.

6 (Source: P.A. 91-239, eff. 1-1-00.)

7 Section 70-15. The State Revenue Sharing Act is amended by
8 changing Section 12 as follows:

9 (30 ILCS 115/12) (from Ch. 85, par. 616)

10 Sec. 12. Personal Property Tax Replacement Fund. There is
11 hereby created the Personal Property Tax Replacement Fund, a
12 special fund in the State Treasury into which shall be paid all
13 revenue realized:

14 (a) all amounts realized from the additional personal
15 property tax replacement income tax imposed by subsections
16 (c) and (d) of Section 201 of the Illinois Income Tax Act,

17 except for those amounts deposited into the Income Tax
18 Refund Fund pursuant to subsection (c) of Section 901 of
19 the Illinois Income Tax Act; and
20 (b) all amounts realized from the additional personal
21 property replacement invested capital taxes imposed by
22 ~~Section 2a.1 of the Messages Tax Act~~, Section 2a.1 of the
23 Gas Revenue Tax Act, Section 2a.1 of the Public Utilities

1 Revenue Act, and Section 3 of the Water Company Invested
2 Capital Tax Act, and amounts payable to the Department of
3 Revenue under the Telecommunications Infrastructure
4 Maintenance Fee Act.

5 As soon as may be after the end of each month, the
6 Department of Revenue shall certify to the Treasurer and the
7 Comptroller the amount of all refunds paid out of the General
8 Revenue Fund through the preceding month on account of
9 overpayment of liability on taxes paid into the Personal
10 Property Tax Replacement Fund. Upon receipt of such
11 certification, the Treasurer and the Comptroller shall
12 transfer the amount so certified from the Personal Property
13 Tax Replacement Fund into the General Revenue Fund.

14 The payments of revenue into the Personal Property Tax
15 Replacement Fund shall be used exclusively for distribution to
16 taxing districts, regional offices and officials, and local
17 officials as provided in this Section and in the School Code,
18 payment of the ordinary and contingent expenses of the
19 Property Tax Appeal Board, payment of the expenses of the
20 Department of Revenue incurred in administering the collection
21 and distribution of monies paid into the Personal Property Tax
22 Replacement Fund and transfers due to refunds to taxpayers for
23 overpayment of liability for taxes paid into the Personal
24 Property Tax Replacement Fund.

25 In addition, moneys in the Personal Property Tax
26 Replacement Fund may be used to pay any of the following: (i)

1 salary, stipends, and additional compensation as provided by
2 law for chief election clerks, county clerks, and county
3 recorders; (ii) costs associated with regional offices of
4 education and educational service centers; (iii)
5 reimbursements payable by the State Board of Elections under
6 Section 4-25, 5-35, 6-71, 13-10, 13-10a, or 13-11 of the
7 Election Code; (iv) expenses of the Illinois Educational Labor
8 Relations Board; and (v) salary, personal services, and
9 additional compensation as provided by law for court reporters
10 under the Court Reporters Act.

11 As soon as may be after June 26, 1980 (the effective date
12 of Public Act 81-1255), the Department of Revenue shall
13 certify to the Treasurer the amount of net replacement revenue
14 paid into the General Revenue Fund prior to that effective
15 date from the additional tax imposed by ~~Section 2a.1 of the~~
16 ~~Messages Tax Act;~~ Section 2a.1 of the Gas Revenue Tax Act;
17 Section 2a.1 of the Public Utilities Revenue Act; Section 3 of
18 the Water Company Invested Capital Tax Act; amounts collected
19 by the Department of Revenue under the Telecommunications
20 Infrastructure Maintenance Fee Act; and the additional
21 personal property tax replacement income tax imposed by the
22 Illinois Income Tax Act, as amended by Public Act 81-1st
23 Special Session-1. Net replacement revenue shall be defined as
24 the total amount paid into and remaining in the General
25 Revenue Fund as a result of those Acts minus the amount
26 outstanding and obligated from the General Revenue Fund in

1 state vouchers or warrants prior to June 26, 1980 (the
2 effective date of Public Act 81-1255) as refunds to taxpayers
3 for overpayment of liability under those Acts.

4 All interest earned by monies accumulated in the Personal
5 Property Tax Replacement Fund shall be deposited into such
6 Fund. All amounts allocated pursuant to this Section are
7 appropriated on a continuing basis.

8 Prior to December 31, 1980, as soon as may be after the end
9 of each quarter beginning with the quarter ending December 31,
10 1979, and on and after December 31, 1980, as soon as may be
11 after January 1, March 1, April 1, May 1, July 1, August 1,

12 October 1 and December 1 of each year, the Department of
13 Revenue shall allocate to each taxing district as defined in
14 Section 1-150 of the Property Tax Code, in accordance with the
15 provisions of paragraph (2) of this Section the portion of the
16 funds held in the Personal Property Tax Replacement Fund which
17 is required to be distributed, as provided in paragraph (1),
18 for each quarter. Provided, however, under no circumstances
19 shall any taxing district during each of the first 2 years of
20 distribution of the taxes imposed by Public Act 81-1st Special
21 Session-1 be entitled to an annual allocation which is less
22 than the funds such taxing district collected from the 1978
23 personal property tax. Provided further that under no
24 circumstances shall any taxing district during the third year
25 of distribution of the taxes imposed by Public Act 81-1st
26 Special Session-1 receive less than 60% of the funds such

1 taxing district collected from the 1978 personal property tax.
2 In the event that the total of the allocations made as above
3 provided for all taxing districts, during either of such 3
4 years, exceeds the amount available for distribution the
5 allocation of each taxing district shall be proportionately
6 reduced. Except as provided in Section 13 of this Act, the
7 Department shall then certify, pursuant to appropriation, such
8 allocations to the State Comptroller who shall pay over to the
9 several taxing districts the respective amounts allocated to
10 them.

11 Any township which receives an allocation based in whole
12 or in part upon personal property taxes which it levied
13 pursuant to Section 6-507 or 6-512 of the Illinois Highway
14 Code and which was previously required to be paid over to a
15 municipality shall immediately pay over to that municipality a
16 proportionate share of the personal property replacement funds
17 which such township receives.

18 Any municipality or township, other than a municipality
19 with a population in excess of 500,000, which receives an
20 allocation based in whole or in part on personal property
21 taxes which it levied pursuant to Sections 3-1, 3-4 and 3-6 of
22 the Illinois Local Library Act and which was previously
23 required to be paid over to a public library shall immediately

24 pay over to that library a proportionate share of the personal
25 property tax replacement funds which such municipality or
26 township receives; provided that if such a public library has

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1 converted to a library organized under the Illinois Public
2 Library District Act, regardless of whether such conversion
3 has occurred on, after or before January 1, 1988, such
4 proportionate share shall be immediately paid over to the
5 library district which maintains and operates the library.
6 However, any library that has converted prior to January 1,
7 1988, and which hitherto has not received the personal
8 property tax replacement funds, shall receive such funds
9 commencing on January 1, 1988.

10 Any township which receives an allocation based in whole
11 or in part on personal property taxes which it levied pursuant
12 to Section 1c of the Public Graveyards Act and which taxes were
13 previously required to be paid over to or used for such public
14 cemetery or cemeteries shall immediately pay over to or use
15 for such public cemetery or cemeteries a proportionate share
16 of the personal property tax replacement funds which the
17 township receives.

18 Any taxing district which receives an allocation based in
19 whole or in part upon personal property taxes which it levied
20 for another governmental body or school district in Cook
21 County in 1976 or for another governmental body or school
22 district in the remainder of the State in 1977 shall
23 immediately pay over to that governmental body or school
24 district the amount of personal property replacement funds
25 which such governmental body or school district would receive
26 directly under the provisions of paragraph (2) of this

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1 Section, had it levied its own taxes.

2 (1) The portion of the Personal Property Tax
3 Replacement Fund required to be distributed as of the time

4 allocation is required to be made shall be the amount
5 available in such Fund as of the time allocation is
6 required to be made.

7 The amount available for distribution shall be the
8 total amount in the fund at such time minus the necessary
9 administrative and other authorized expenses as limited by
10 the appropriation and the amount determined by: (a) \$2.8
11 million for fiscal year 1981; (b) for fiscal year 1982,
12 .54% of the funds distributed from the fund during the
13 preceding fiscal year; (c) for fiscal year 1983 through
14 fiscal year 1988, .54% of the funds distributed from the
15 fund during the preceding fiscal year less .02% of such
16 fund for fiscal year 1983 and less .02% of such funds for
17 each fiscal year thereafter; (d) for fiscal year 1989
18 through fiscal year 2011 no more than 105% of the actual
19 administrative expenses of the prior fiscal year; (e) for
20 fiscal year 2012 and beyond, a sufficient amount to pay
21 (i) stipends, additional compensation, salary
22 reimbursements, and other amounts directed to be paid out
23 of this Fund for local officials as authorized or required
24 by statute and (ii) the ordinary and contingent expenses
25 of the Property Tax Appeal Board and the expenses of the
26 Department of Revenue incurred in administering the

1 collection and distribution of moneys paid into the Fund;
2 (f) for fiscal years 2012 and 2013 only, a sufficient
3 amount to pay stipends, additional compensation, salary
4 reimbursements, and other amounts directed to be paid out
5 of this Fund for regional offices and officials as
6 authorized or required by statute; (g) for fiscal years
7 2018 through 2026 only, a sufficient amount to pay amounts
8 directed to be paid out of this Fund for public community
9 college base operating grants and local health protection
10 grants to certified local health departments as authorized
11 or required by appropriation or statute; and (h) for
12 fiscal year 2026 only, a sufficient amount to pay amounts
13 directed to be paid out of this Fund for costs associated
14 with the Illinois Century Network and broadband projects
15 as authorized or required by appropriation or statute.

16 Such portion of the fund shall be determined after the
17 transfer into the General Revenue Fund due to refunds, if
18 any, paid from the General Revenue Fund during the
19 preceding quarter. If at any time, for any reason, there
20 is insufficient amount in the Personal Property Tax
21 Replacement Fund for payments for regional offices and
22 officials or local officials or payment of costs of
23 administration or for transfers due to refunds at the end
24 of any particular month, the amount of such insufficiency
25 shall be carried over for the purposes of payments for
26 regional offices and officials, local officials, transfers

1 into the General Revenue Fund, and costs of administration
2 to the following month or months. Net replacement revenue
3 held, and defined above, shall be transferred by the
4 Treasurer and Comptroller to the Personal Property Tax
5 Replacement Fund within 10 days of such certification.

6 (2) Each quarterly allocation shall first be
7 apportioned in the following manner: 51.65% for taxing
8 districts in Cook County and 48.35% for taxing districts
9 in the remainder of the State.

10 The Personal Property Replacement Ratio of each taxing
11 district outside Cook County shall be the ratio which the Tax
12 Base of that taxing district bears to the Downstate Tax Base.
13 The Tax Base of each taxing district outside of Cook County is
14 the personal property tax collections for that taxing district
15 for the 1977 tax year. The Downstate Tax Base is the personal
16 property tax collections for all taxing districts in the State
17 outside of Cook County for the 1977 tax year. The Department of
18 Revenue shall have authority to review for accuracy and
19 completeness the personal property tax collections for each
20 taxing district outside Cook County for the 1977 tax year.

21 The Personal Property Replacement Ratio of each Cook
22 County taxing district shall be the ratio which the Tax Base of
23 that taxing district bears to the Cook County Tax Base. The Tax
24 Base of each Cook County taxing district is the personal
25 property tax collections for that taxing district for the 1976
26 tax year. The Cook County Tax Base is the personal property tax

1 collections for all taxing districts in Cook County for the
2 1976 tax year. The Department of Revenue shall have authority
3 to review for accuracy and completeness the personal property
4 tax collections for each taxing district within Cook County
5 for the 1976 tax year.

6 For all purposes of this Section 12, amounts paid to a
7 taxing district for such tax years as may be applicable by a
8 foreign corporation under the provisions of Section 7-202 of
9 the Public Utilities Act, as amended, shall be deemed to be
10 personal property taxes collected by such taxing district for
11 such tax years as may be applicable. The Director shall
12 determine from the Illinois Commerce Commission, for any tax
13 year as may be applicable, the amounts so paid by any such
14 foreign corporation to any and all taxing districts. The
15 Illinois Commerce Commission shall furnish such information to
16 the Director. For all purposes of this Section 12, the
17 Director shall deem such amounts to be collected personal
18 property taxes of each such taxing district for the applicable
19 tax year or years.

20 Taxing districts located both in Cook County and in one or
21 more other counties shall receive both a Cook County
22 allocation and a Downstate allocation determined in the same
23 way as all other taxing districts.

24 If any taxing district in existence on July 1, 1979 ceases
25 to exist, or discontinues its operations, its Tax Base shall
26 thereafter be deemed to be zero. If the powers, duties and

1 obligations of the discontinued taxing district are assumed by
2 another taxing district, the Tax Base of the discontinued
3 taxing district shall be added to the Tax Base of the taxing
4 district assuming such powers, duties and obligations.

5 If 2 or more taxing districts in existence on July 1, 1979,
6 or a successor or successors thereto shall consolidate into

7 one taxing district, the Tax Base of such consolidated taxing
8 district shall be the sum of the Tax Bases of each of the
9 taxing districts which have consolidated.

10 If a single taxing district in existence on July 1, 1979,
11 or a successor or successors thereto shall be divided into 2 or
12 more separate taxing districts, the tax base of the taxing
13 district so divided shall be allocated to each of the
14 resulting taxing districts in proportion to the then current
15 equalized assessed value of each resulting taxing district.

16 If a portion of the territory of a taxing district is
17 disconnected and annexed to another taxing district of the
18 same type, the Tax Base of the taxing district from which
19 disconnection was made shall be reduced in proportion to the
20 then current equalized assessed value of the disconnected
21 territory as compared with the then current equalized assessed
22 value within the entire territory of the taxing district prior
23 to disconnection, and the amount of such reduction shall be
24 added to the Tax Base of the taxing district to which
25 annexation is made.

26 If a community college district is created after July 1,

1 1979, beginning on January 1, 1996 (the effective date of
2 Public Act 89-327), its Tax Base shall be 3.5% of the sum of
3 the personal property tax collected for the 1977 tax year
4 within the territorial jurisdiction of the district.

5 The amounts allocated and paid to taxing districts
6 pursuant to the provisions of Public Act 81-1st Special
7 Session-1 shall be deemed to be substitute revenues for the
8 revenues derived from taxes imposed on personal property
9 pursuant to the provisions of the "Revenue Act of 1939" or "An
10 Act for the assessment and taxation of private car line
11 companies", approved July 22, 1943, as amended, or Section 414
12 of the Illinois Insurance Code, prior to the abolition of such
13 taxes and shall be used for the same purposes as the revenues
14 derived from ad valorem taxes on real estate.

15 Monies received by any taxing districts from the Personal
16 Property Tax Replacement Fund shall be first applied toward
17 payment of the proportionate amount of debt service which was
18 previously levied and collected from extensions against

19 personal property on bonds outstanding as of December 31, 1978
20 and next applied toward payment of the proportionate share of
21 the pension or retirement obligations of the taxing district
22 which were previously levied and collected from extensions
23 against personal property. For each such outstanding bond
24 issue, the County Clerk shall determine the percentage of the
25 debt service which was collected from extensions against real
26 estate in the taxing district for 1978 taxes payable in 1979,

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1 as related to the total amount of such levies and collections
2 from extensions against both real and personal property. For
3 1979 and subsequent years' taxes, the County Clerk shall levy
4 and extend taxes against the real estate of each taxing
5 district which will yield the said percentage or percentages
6 of the debt service on such outstanding bonds. The balance of
7 the amount necessary to fully pay such debt service shall
8 constitute a first and prior lien upon the monies received by
9 each such taxing district through the Personal Property Tax
10 Replacement Fund and shall be first applied or set aside for
11 such purpose. In counties having fewer than 3,000,000
12 inhabitants, the amendments to this paragraph as made by
13 Public Act 81-1255 shall be first applicable to 1980 taxes to
14 be collected in 1981.
15 (Source: P.A. 103-8, eff. 6-7-23; 103-588, eff. 6-5-24; 104-2,
16 eff. 6-16-25.)

17 Section 70-20. The Illinois Coal Technology Development
18 Assistance Act is amended by changing Section 3 as follows:

19 (30 ILCS 730/3) (from Ch. 96 1/2, par. 8203)

20 Sec. 3. Transfers to Coal Technology Development
21 Assistance Fund.

22 (a) As soon as may be practicable after the first day of
23 each month, the Department of Revenue shall certify to the
24 Treasurer an amount equal to 1/64 of the revenue realized from

1 the tax imposed by the Electricity Excise Tax Law, Section 2 of
2 the Public Utilities Revenue Act, ~~Section 2 of the Messages~~
3 ~~Tax Act~~, and Section 2 of the Gas Revenue Tax Act, during the
4 preceding month. Upon receipt of the certification, the
5 Treasurer shall transfer the amount shown on such
6 certification from the General Revenue Fund to the Coal
7 Technology Development Assistance Fund, which is hereby
8 created as a special fund in the State treasury, except that no
9 transfer shall be made in any month in which the Fund has
10 reached the following balance:

- 11 (1) (Blank).
- 12 (2) (Blank).
- 13 (3) (Blank).
- 14 (4) (Blank).
- 15 (5) (Blank).
- 16 (6) Except as otherwise provided in subsection (b),
17 during fiscal year 2006 and each fiscal year thereafter,
18 an amount equal to the sum of \$10,000,000 plus additional
19 moneys deposited into the Coal Technology Development
20 Assistance Fund from the Renewable Energy Resources and
21 Coal Technology Development Assistance Charge under
22 Section 6.5 of the Renewable Energy, Energy Efficiency,
23 and Coal Resources Development Law of 1997.

24 (b) During fiscal years 2019 through 2022 only, the
25 Treasurer shall make no transfers from the General Revenue
26 Fund to the Coal Technology Development Assistance Fund.

1 (Source: P.A. 101-10, eff. 6-5-19; 101-636, eff. 6-10-20;
2 102-16, eff. 6-17-21.)

3 Section 70-25. The Use Tax Act is amended by changing
4 Sections 3-5, 3-10, and 12 as follows:

5 (35 ILCS 105/3-5)

6 Sec. 3-5. Exemptions. Use, which, on and after January 1,
7 2025, includes use by a lessee, of the following tangible
8 personal property is exempt from the tax imposed by this Act:

9 (1) Personal property purchased from a corporation,
10 society, association, foundation, institution, or
11 organization, other than a limited liability company, that is
12 organized and operated as a not-for-profit service enterprise
13 for the benefit of persons 65 years of age or older if the
14 personal property was not purchased by the enterprise for the
15 purpose of resale by the enterprise.

16 (2) Personal property purchased by a not-for-profit
17 Illinois county fair association for use in conducting,
18 operating, or promoting the county fair.

19 (3) Personal property purchased by a not-for-profit arts
20 or cultural organization that establishes, by proof required
21 by the Department by rule, that it has received an exemption
22 under Section 501(c)(3) of the Internal Revenue Code and that
23 is organized and operated primarily for the presentation or
24 support of arts or cultural programming, activities, or

1 services. These organizations include, but are not limited to,
2 music and dramatic arts organizations such as symphony
3 orchestras and theatrical groups, arts and cultural service
4 organizations, local arts councils, visual arts organizations,
5 and media arts organizations. On and after July 1, 2001 (the
6 effective date of Public Act 92-35), however, an entity
7 otherwise eligible for this exemption shall not make tax-free
8 purchases unless it has an active identification number issued
9 by the Department.

10 (4) Except as otherwise provided in this Act, personal
11 property purchased by a governmental body, by a corporation,
12 society, association, foundation, or institution organized and
13 operated exclusively for charitable, religious, or educational
14 purposes, or by a not-for-profit corporation, society,
15 association, foundation, institution, or organization that has
16 no compensated officers or employees and that is organized and
17 operated primarily for the recreation of persons 55 years of
18 age or older. A limited liability company may qualify for the
19 exemption under this paragraph only if the limited liability
20 company is organized and operated exclusively for educational
21 purposes. On and after July 1, 1987, however, no entity
22 otherwise eligible for this exemption shall make tax-free

23 purchases unless it has an active exemption identification
24 number issued by the Department.
25 (5) Until July 1, 2003, a passenger car that is a
26 replacement vehicle to the extent that the purchase price of

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1 the car is subject to the Replacement Vehicle Tax.
2 (6) Until July 1, 2003 and beginning again on September 1,
3 2004 through August 30, 2014, graphic arts machinery and
4 equipment, including repair and replacement parts, both new
5 and used, and including that manufactured on special order,
6 certified by the purchaser to be used primarily for graphic
7 arts production, and including machinery and equipment
8 purchased for lease. Equipment includes chemicals or chemicals
9 acting as catalysts but only if the chemicals or chemicals
10 acting as catalysts effect a direct and immediate change upon
11 a graphic arts product. Beginning on July 1, 2017, graphic
12 arts machinery and equipment is included in the manufacturing
13 and assembling machinery and equipment exemption under
14 paragraph (18).
15 (7) Farm chemicals.
16 (8) Legal tender, currency, medallions, or gold or silver
17 coinage issued by the State of Illinois, the government of the
18 United States of America, or the government of any foreign
19 country, and bullion.
20 (9) Personal property purchased from a teacher-sponsored
21 student organization affiliated with an elementary or
22 secondary school located in Illinois.
23 (10) A motor vehicle that is used for automobile renting,
24 as defined in the Automobile Renting Occupation and Use Tax
25 Act.
26 (11) Farm machinery and equipment, both new and used,

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1 including that manufactured on special order, certified by the
2 purchaser to be used primarily for production agriculture or

3 State or federal agricultural programs, including individual
4 replacement parts for the machinery and equipment, including
5 machinery and equipment purchased for lease, and including
6 implements of husbandry defined in Section 1-130 of the
7 Illinois Vehicle Code, farm machinery and agricultural
8 chemical and fertilizer spreaders, and nurse wagons required
9 to be registered under Section 3-809 of the Illinois Vehicle
10 Code, but excluding other motor vehicles required to be
11 registered under the Illinois Vehicle Code. Horticultural
12 polyhouses or hoop houses used for propagating, growing, or
13 overwintering plants shall be considered farm machinery and
14 equipment under this item (11). Agricultural chemical tender
15 tanks and dry boxes shall include units sold separately from a
16 motor vehicle required to be licensed and units sold mounted
17 on a motor vehicle required to be licensed if the selling price
18 of the tender is separately stated.

19 Farm machinery and equipment shall include precision
20 farming equipment that is installed or purchased to be
21 installed on farm machinery and equipment, including, but not
22 limited to, tractors, harvesters, sprayers, planters, seeders,
23 or spreaders. Precision farming equipment includes, but is not
24 limited to, soil testing sensors, computers, monitors,
25 software, global positioning and mapping systems, and other
26 such equipment.

1 Farm machinery and equipment also includes computers,
2 sensors, software, and related equipment used primarily in the
3 computer-assisted operation of production agriculture
4 facilities, equipment, and activities such as, but not limited
5 to, the collection, monitoring, and correlation of animal and
6 crop data for the purpose of formulating animal diets and
7 agricultural chemicals.

8 Beginning on January 1, 2024, farm machinery and equipment
9 also includes electrical power generation equipment used
10 primarily for production agriculture.

11 This item (11) is exempt from the provisions of Section
12 3-90.

13 (12) Until June 30, 2013, fuel and petroleum products sold
14 to or used by an air common carrier, certified by the carrier

15 to be used for consumption, shipment, or storage in the
16 conduct of its business as an air common carrier, for a flight
17 destined for or returning from a location or locations outside
18 the United States without regard to previous or subsequent
19 domestic stopovers.

20 Beginning July 1, 2013, fuel and petroleum products sold
21 to or used by an air carrier, certified by the carrier to be
22 used for consumption, shipment, or storage in the conduct of
23 its business as an air common carrier, for a flight that (i) is
24 engaged in foreign trade or is engaged in trade between the
25 United States and any of its possessions and (ii) transports
26 at least one individual or package for hire from the city of

1 origination to the city of final destination on the same
2 aircraft, without regard to a change in the flight number of
3 that aircraft.

4 (13) Proceeds of mandatory service charges separately
5 stated on customers' bills for the purchase and consumption of
6 food and beverages purchased at retail from a retailer, to the
7 extent that the proceeds of the service charge are in fact
8 turned over as tips or as a substitute for tips to the
9 employees who participate directly in preparing, serving,
10 hosting or cleaning up the food or beverage function with
11 respect to which the service charge is imposed.

12 (14) Until July 1, 2003, oil field exploration, drilling,
13 and production equipment, including (i) rigs and parts of
14 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
15 pipe and tubular goods, including casing and drill strings,
16 (iii) pumps and pump-jack units, (iv) storage tanks and flow
17 lines, (v) any individual replacement part for oil field
18 exploration, drilling, and production equipment, and (vi)
19 machinery and equipment purchased for lease; but excluding
20 motor vehicles required to be registered under the Illinois
21 Vehicle Code.

22 (15) Photoprocessing machinery and equipment, including
23 repair and replacement parts, both new and used, including
24 that manufactured on special order, certified by the purchaser
25 to be used primarily for photoprocessing, and including
26 photoprocessing machinery and equipment purchased for lease.

1 (16) Until July 1, 2028, coal and aggregate exploration,
2 mining, off-highway hauling, processing, maintenance, and
3 reclamation equipment, including replacement parts and
4 equipment, and including equipment purchased for lease, but
5 excluding motor vehicles required to be registered under the
6 Illinois Vehicle Code. The changes made to this Section by
7 Public Act 97-767 apply on and after July 1, 2003, but no claim
8 for credit or refund is allowed on or after August 16, 2013
9 (the effective date of Public Act 98-456) for such taxes paid
10 during the period beginning July 1, 2003 and ending on August
11 16, 2013 (the effective date of Public Act 98-456).

12 (17) Until July 1, 2003, distillation machinery and
13 equipment, sold as a unit or kit, assembled or installed by the
14 retailer, certified by the user to be used only for the
15 production of ethyl alcohol that will be used for consumption
16 as motor fuel or as a component of motor fuel for the personal
17 use of the user, and not subject to sale or resale.

18 (18) Manufacturing and assembling machinery and equipment
19 used primarily in the process of manufacturing or assembling
20 tangible personal property for wholesale or retail sale or
21 lease, whether that sale or lease is made directly by the
22 manufacturer or by some other person, whether the materials
23 used in the process are owned by the manufacturer or some other
24 person, or whether that sale or lease is made apart from or as
25 an incident to the seller's engaging in the service occupation
26 of producing machines, tools, dies, jigs, patterns, gauges, or

1 other similar items of no commercial value on special order
2 for a particular purchaser. The exemption provided by this
3 paragraph (18) includes production related tangible personal
4 property, as defined in Section 3-50, purchased on or after
5 July 1, 2019. The exemption provided by this paragraph (18)
6 does not include machinery and equipment used in (i) the

7 generation of electricity for wholesale or retail sale; (ii)
8 the generation or treatment of natural or artificial gas for
9 wholesale or retail sale that is delivered to customers
10 through pipes, pipelines, or mains; or (iii) the treatment of
11 water for wholesale or retail sale that is delivered to
12 customers through pipes, pipelines, or mains. The provisions
13 of Public Act 98-583 are declaratory of existing law as to the
14 meaning and scope of this exemption. Beginning on July 1,
15 2017, the exemption provided by this paragraph (18) includes,
16 but is not limited to, graphic arts machinery and equipment,
17 as defined in paragraph (6) of this Section.

18 (19) Personal property delivered to a purchaser or
19 purchaser's donee inside Illinois when the purchase order for
20 that personal property was received by a florist located
21 outside Illinois who has a florist located inside Illinois
22 deliver the personal property.

23 (20) Semen used for artificial insemination of livestock
24 for direct agricultural production.

25 (21) Horses, or interests in horses, registered with and
26 meeting the requirements of any of the Arabian Horse Club

1 Registry of America, Appaloosa Horse Club, American Quarter
2 Horse Association, United States Trotting Association, or
3 Jockey Club, as appropriate, used for purposes of breeding or
4 racing for prizes. This item (21) is exempt from the
5 provisions of Section 3-90, and the exemption provided for
6 under this item (21) applies for all periods beginning May 30,
7 1995, but no claim for credit or refund is allowed on or after
8 January 1, 2008 for such taxes paid during the period
9 beginning May 30, 2000 and ending on January 1, 2008.

10 (22) Computers and communications equipment utilized for
11 any hospital purpose and equipment used in the diagnosis,
12 analysis, or treatment of hospital patients purchased by a
13 lessor who leases the equipment, under a lease of one year or
14 longer executed or in effect at the time the lessor would
15 otherwise be subject to the tax imposed by this Act, to a
16 hospital that has been issued an active tax exemption
17 identification number by the Department under Section 1g of
18 the Retailers' Occupation Tax Act. If the equipment is leased

19 in a manner that does not qualify for this exemption or is used
20 in any other non-exempt manner, the lessor shall be liable for
21 the tax imposed under this Act or the Service Use Tax Act, as
22 the case may be, based on the fair market value of the property
23 at the time the non-qualifying use occurs. No lessor shall
24 collect or attempt to collect an amount (however designated)
25 that purports to reimburse that lessor for the tax imposed by
26 this Act or the Service Use Tax Act, as the case may be, if the

1 tax has not been paid by the lessor. If a lessor improperly
2 collects any such amount from the lessee, the lessee shall
3 have a legal right to claim a refund of that amount from the
4 lessor. If, however, that amount is not refunded to the lessee
5 for any reason, the lessor is liable to pay that amount to the
6 Department.

7 (23) Personal property purchased by a lessor who leases
8 the property, under a lease of one year or longer executed or
9 in effect at the time the lessor would otherwise be subject to
10 the tax imposed by this Act, to a governmental body that has
11 been issued an active sales tax exemption identification
12 number by the Department under Section 1g of the Retailers'
13 Occupation Tax Act. If the property is leased in a manner that
14 does not qualify for this exemption or used in any other
15 non-exempt manner, the lessor shall be liable for the tax
16 imposed under this Act or the Service Use Tax Act, as the case
17 may be, based on the fair market value of the property at the
18 time the non-qualifying use occurs. No lessor shall collect or
19 attempt to collect an amount (however designated) that
20 purports to reimburse that lessor for the tax imposed by this
21 Act or the Service Use Tax Act, as the case may be, if the tax
22 has not been paid by the lessor. If a lessor improperly
23 collects any such amount from the lessee, the lessee shall
24 have a legal right to claim a refund of that amount from the
25 lessor. If, however, that amount is not refunded to the lessee
26 for any reason, the lessor is liable to pay that amount to the

1 Department.

2 (24) Beginning with taxable years ending on or after
3 December 31, 1995 and ending with taxable years ending on or
4 before December 31, 2004, personal property that is donated
5 for disaster relief to be used in a State or federally declared
6 disaster area in Illinois or bordering Illinois by a
7 manufacturer or retailer that is registered in this State to a
8 corporation, society, association, foundation, or institution
9 that has been issued a sales tax exemption identification
10 number by the Department that assists victims of the disaster
11 who reside within the declared disaster area.

12 (25) Beginning with taxable years ending on or after
13 December 31, 1995 and ending with taxable years ending on or
14 before December 31, 2004, personal property that is used in
15 the performance of infrastructure repairs in this State,
16 including, but not limited to, municipal roads and streets,
17 access roads, bridges, sidewalks, waste disposal systems,
18 water and sewer line extensions, water distribution and
19 purification facilities, storm water drainage and retention
20 facilities, and sewage treatment facilities, resulting from a
21 State or federally declared disaster in Illinois or bordering
22 Illinois when such repairs are initiated on facilities located
23 in the declared disaster area within 6 months after the
24 disaster.

25 (26) Beginning July 1, 1999, game or game birds purchased
26 at a "game breeding and hunting preserve area" as that term is

1 used in the Wildlife Code. This paragraph is exempt from the
2 provisions of Section 3-90.

3 (27) A motor vehicle, as that term is defined in Section
4 1-146 of the Illinois Vehicle Code, that is donated to a
5 corporation, limited liability company, society, association,
6 foundation, or institution that is determined by the
7 Department to be organized and operated exclusively for
8 educational purposes. For purposes of this exemption, "a
9 corporation, limited liability company, society, association,
10 foundation, or institution organized and operated exclusively

11 for educational purposes" means all tax-supported public
12 schools, private schools that offer systematic instruction in
13 useful branches of learning by methods common to public
14 schools and that compare favorably in their scope and
15 intensity with the course of study presented in tax-supported
16 schools, and vocational or technical schools or institutes
17 organized and operated exclusively to provide a course of
18 study of not less than 6 weeks duration and designed to prepare
19 individuals to follow a trade or to pursue a manual,
20 technical, mechanical, industrial, business, or commercial
21 occupation.

22 (28) Beginning January 1, 2000, personal property,
23 including food, purchased through fundraising events for the
24 benefit of a public or private elementary or secondary school,
25 a group of those schools, or one or more school districts if
26 the events are sponsored by an entity recognized by the school

1 district that consists primarily of volunteers and includes
2 parents and teachers of the school children. This paragraph
3 does not apply to fundraising events (i) for the benefit of
4 private home instruction or (ii) for which the fundraising
5 entity purchases the personal property sold at the events from
6 another individual or entity that sold the property for the
7 purpose of resale by the fundraising entity and that profits
8 from the sale to the fundraising entity. This paragraph is
9 exempt from the provisions of Section 3-90.

10 (29) Beginning January 1, 2000 and through December 31,
11 2001, new or used automatic vending machines that prepare and
12 serve hot food and beverages, including coffee, soup, and
13 other items, and replacement parts for these machines.
14 Beginning January 1, 2002 and through June 30, 2003, machines
15 and parts for machines used in commercial, coin-operated
16 amusement and vending business if a use or occupation tax is
17 paid on the gross receipts derived from the use of the
18 commercial, coin-operated amusement and vending machines. This
19 paragraph is exempt from the provisions of Section 3-90.

20 (30) Beginning January 1, 2001 and through June 30, 2016,
21 food for human consumption that is to be consumed off the
22 premises where it is sold (other than alcoholic beverages,

23 soft drinks, and food that has been prepared for immediate
24 consumption) and prescription and nonprescription medicines,
25 drugs, medical appliances, and insulin, urine testing
26 materials, syringes, and needles used by diabetics, for human

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1 use, when purchased for use by a person receiving medical
2 assistance under Article V of the Illinois Public Aid Code who
3 resides in a licensed long-term care facility, as defined in
4 the Nursing Home Care Act, or in a licensed facility as defined
5 in the ID/DD Community Care Act, the MC/DD Act, or the
6 Specialized Mental Health Rehabilitation Act of 2013.

7 (31) Beginning on August 2, 2001 (the effective date of
8 Public Act 92-227), computers and communications equipment
9 utilized for any hospital purpose and equipment used in the
10 diagnosis, analysis, or treatment of hospital patients
11 purchased by a lessor who leases the equipment, under a lease
12 of one year or longer executed or in effect at the time the
13 lessor would otherwise be subject to the tax imposed by this
14 Act, to a hospital that has been issued an active tax exemption
15 identification number by the Department under Section 1g of
16 the Retailers' Occupation Tax Act. If the equipment is leased
17 in a manner that does not qualify for this exemption or is used
18 in any other nonexempt manner, the lessor shall be liable for
19 the tax imposed under this Act or the Service Use Tax Act, as
20 the case may be, based on the fair market value of the property
21 at the time the nonqualifying use occurs. No lessor shall
22 collect or attempt to collect an amount (however designated)
23 that purports to reimburse that lessor for the tax imposed by
24 this Act or the Service Use Tax Act, as the case may be, if the
25 tax has not been paid by the lessor. If a lessor improperly
26 collects any such amount from the lessee, the lessee shall

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1 have a legal right to claim a refund of that amount from the
2 lessor. If, however, that amount is not refunded to the lessee

3 for any reason, the lessor is liable to pay that amount to the
4 Department. This paragraph is exempt from the provisions of
5 Section 3-90.

6 (32) Beginning on August 2, 2001 (the effective date of
7 Public Act 92-227), personal property purchased by a lessor
8 who leases the property, under a lease of one year or longer
9 executed or in effect at the time the lessor would otherwise be
10 subject to the tax imposed by this Act, to a governmental body
11 that has been issued an active sales tax exemption
12 identification number by the Department under Section 1g of
13 the Retailers' Occupation Tax Act. If the property is leased
14 in a manner that does not qualify for this exemption or used in
15 any other nonexempt manner, the lessor shall be liable for the
16 tax imposed under this Act or the Service Use Tax Act, as the
17 case may be, based on the fair market value of the property at
18 the time the nonqualifying use occurs. No lessor shall collect
19 or attempt to collect an amount (however designated) that
20 purports to reimburse that lessor for the tax imposed by this
21 Act or the Service Use Tax Act, as the case may be, if the tax
22 has not been paid by the lessor. If a lessor improperly
23 collects any such amount from the lessee, the lessee shall
24 have a legal right to claim a refund of that amount from the
25 lessor. If, however, that amount is not refunded to the lessee
26 for any reason, the lessor is liable to pay that amount to the

1 Department. This paragraph is exempt from the provisions of
2 Section 3-90.

3 (33) On and after July 1, 2003 and through June 30, 2004,
4 the use in this State of motor vehicles of the second division
5 with a gross vehicle weight in excess of 8,000 pounds and that
6 are subject to the commercial distribution fee imposed under
7 Section 3-815.1 of the Illinois Vehicle Code. Beginning on
8 July 1, 2004 and through June 30, 2005, the use in this State
9 of motor vehicles of the second division: (i) with a gross
10 vehicle weight rating in excess of 8,000 pounds; (ii) that are
11 subject to the commercial distribution fee imposed under
12 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that
13 are primarily used for commercial purposes. Through June 30,
14 2005, this exemption applies to repair and replacement parts

15 added after the initial purchase of such a motor vehicle if
16 that motor vehicle is used in a manner that would qualify for
17 the rolling stock exemption otherwise provided for in this
18 Act. For purposes of this paragraph, the term "used for
19 commercial purposes" means the transportation of persons or
20 property in furtherance of any commercial or industrial
21 enterprise, whether for-hire or not.

22 (34) Beginning January 1, 2008, tangible personal property
23 used in the construction or maintenance of a community water
24 supply, as defined under Section 3.145 of the Environmental
25 Protection Act, that is operated by a not-for-profit
26 corporation that holds a valid water supply permit issued

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1 under Title IV of the Environmental Protection Act. This
2 paragraph is exempt from the provisions of Section 3-90.

3 (35) Beginning January 1, 2010 and continuing through
4 December 31, 2029, materials, parts, equipment, components,
5 and furnishings incorporated into or upon an aircraft as part
6 of the modification, refurbishment, completion, replacement,
7 repair, or maintenance of the aircraft. This exemption
8 includes consumable supplies used in the modification,
9 refurbishment, completion, replacement, repair, and
10 maintenance of aircraft. However, until January 1, 2024, this
11 exemption excludes any materials, parts, equipment,
12 components, and consumable supplies used in the modification,
13 replacement, repair, and maintenance of aircraft engines or
14 power plants, whether such engines or power plants are
15 installed or uninstalled upon any such aircraft. "Consumable
16 supplies" include, but are not limited to, adhesive, tape,
17 sandpaper, general purpose lubricants, cleaning solution,
18 latex gloves, and protective films.

19 Beginning January 1, 2010 and continuing through December
20 31, 2023, this exemption applies only to the use of qualifying
21 tangible personal property by persons who modify, refurbish,
22 complete, repair, replace, or maintain aircraft and who (i)
23 hold an Air Agency Certificate and are empowered to operate an
24 approved repair station by the Federal Aviation
25 Administration, (ii) have a Class IV Rating, and (iii) conduct
26 operations in accordance with Part 145 of the Federal Aviation

1 Regulations. From January 1, 2024 through December 31, 2029,
2 this exemption applies only to the use of qualifying tangible
3 personal property by: (A) persons who modify, refurbish,
4 complete, repair, replace, or maintain aircraft and who (i)
5 hold an Air Agency Certificate and are empowered to operate an
6 approved repair station by the Federal Aviation
7 Administration, (ii) have a Class IV Rating, and (iii) conduct
8 operations in accordance with Part 145 of the Federal Aviation
9 Regulations; and (B) persons who engage in the modification,
10 replacement, repair, and maintenance of aircraft engines or
11 power plants without regard to whether or not those persons
12 meet the qualifications of item (A).

13 The exemption does not include aircraft operated by a
14 commercial air carrier providing scheduled passenger air
15 service pursuant to authority issued under Part 121 or Part
16 129 of the Federal Aviation Regulations. The changes made to
17 this paragraph (35) by Public Act 98-534 are declarative of
18 existing law. It is the intent of the General Assembly that the
19 exemption under this paragraph (35) applies continuously from
20 January 1, 2010 through December 31, 2024; however, no claim
21 for credit or refund is allowed for taxes paid as a result of
22 the disallowance of this exemption on or after January 1, 2015
23 and prior to February 5, 2020 (the effective date of Public Act
24 101-629).

25 (36) Tangible personal property purchased by a
26 public-facilities corporation, as described in Section

1 11-65-10 of the Illinois Municipal Code, for purposes of
2 constructing or furnishing a municipal convention hall, but
3 only if the legal title to the municipal convention hall is
4 transferred to the municipality without any further
5 consideration by or on behalf of the municipality at the time
6 of the completion of the municipal convention hall or upon the

7 retirement or redemption of any bonds or other debt
8 instruments issued by the public-facilities corporation in
9 connection with the development of the municipal convention
10 hall. This exemption includes existing public-facilities
11 corporations as provided in Section 11-65-25 of the Illinois
12 Municipal Code. This paragraph is exempt from the provisions
13 of Section 3-90.

14 (37) Beginning January 1, 2017 and through December 31,
15 2026, menstrual pads, tampons, and menstrual cups.

16 (38) Merchandise that is subject to the Rental Purchase
17 Agreement Occupation and Use Tax. The purchaser must certify
18 that the item is purchased to be rented subject to a
19 rental-purchase agreement, as defined in the Rental-Purchase
20 Agreement Act, and provide proof of registration under the
21 Rental Purchase Agreement Occupation and Use Tax Act. This
22 paragraph is exempt from the provisions of Section 3-90.

23 (39) Tangible personal property purchased by a purchaser
24 who is exempt from the tax imposed by this Act by operation of
25 federal law. This paragraph is exempt from the provisions of
26 Section 3-90.

1 (40) Qualified tangible personal property used in the
2 construction or operation of a data center that has been
3 granted a certificate of exemption by the Department of
4 Commerce and Economic Opportunity, whether that tangible
5 personal property is purchased by the owner, operator, or
6 tenant of the data center or by a contractor or subcontractor
7 of the owner, operator, or tenant. Data centers that would
8 have qualified for a certificate of exemption prior to January
9 1, 2020 had Public Act 101-31 been in effect may apply for and
10 obtain an exemption for subsequent purchases of computer
11 equipment or enabling software purchased or leased to upgrade,
12 supplement, or replace computer equipment or enabling software
13 purchased or leased in the original investment that would have
14 qualified.

15 The Department of Commerce and Economic Opportunity shall
16 grant a certificate of exemption under this item (40) to
17 qualified data centers as defined by Section 605-1025 of the
18 Department of Commerce and Economic Opportunity Law of the

19 Civil Administrative Code of Illinois.

20 For the purposes of this item (40):

21 "Data center" means a building or a series of
22 buildings rehabilitated or constructed to house working
23 servers in one physical location or multiple sites within
24 the State of Illinois.

25 "Qualified tangible personal property" means:
26 electrical systems and equipment; climate control and

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1 chilling equipment and systems; mechanical systems and
2 equipment; monitoring and secure systems; emergency
3 generators; hardware; computers; servers; data storage
4 devices; network connectivity equipment; racks; cabinets;
5 telecommunications cabling infrastructure; raised floor
6 systems; peripheral components or systems; software;
7 mechanical, electrical, or plumbing systems; battery
8 systems; cooling systems and towers; temperature control
9 systems; other cabling; and other data center
10 infrastructure equipment and systems necessary to operate
11 qualified tangible personal property, including fixtures;
12 and component parts of any of the foregoing, including
13 installation, maintenance, repair, refurbishment, and
14 replacement of qualified tangible personal property to
15 generate, transform, transmit, distribute, or manage
16 electricity necessary to operate qualified tangible
17 personal property; and all other tangible personal
18 property that is essential to the operations of a computer
19 data center. The term "qualified tangible personal
20 property" also includes building materials physically
21 incorporated into the qualifying data center. To document
22 the exemption allowed under this Section, the retailer
23 must obtain from the purchaser a copy of the certificate
24 of eligibility issued by the Department of Commerce and
25 Economic Opportunity.

26 This item (40) is exempt from the provisions of Section

1 3-90.

2 (41) Beginning July 1, 2022, breast pumps, breast pump
3 collection and storage supplies, and breast pump kits. This
4 item (41) is exempt from the provisions of Section 3-90. As
5 used in this item (41):

6 "Breast pump" means an electrically controlled or
7 manually controlled pump device designed or marketed to be
8 used to express milk from a human breast during lactation,
9 including the pump device and any battery, AC adapter, or
10 other power supply unit that is used to power the pump
11 device and is packaged and sold with the pump device at the
12 time of sale.

13 "Breast pump collection and storage supplies" means
14 items of tangible personal property designed or marketed
15 to be used in conjunction with a breast pump to collect
16 milk expressed from a human breast and to store collected
17 milk until it is ready for consumption.

18 "Breast pump collection and storage supplies"
19 includes, but is not limited to: breast shields and breast
20 shield connectors; breast pump tubes and tubing adapters;
21 breast pump valves and membranes; backflow protectors and
22 backflow protector adaptors; bottles and bottle caps
23 specific to the operation of the breast pump; and breast
24 milk storage bags.

25 "Breast pump collection and storage supplies" does not
26 include: (1) bottles and bottle caps not specific to the

1 operation of the breast pump; (2) breast pump travel bags
2 and other similar carrying accessories, including ice
3 packs, labels, and other similar products; (3) breast pump
4 cleaning supplies; (4) nursing bras, bra pads, breast
5 shells, and other similar products; and (5) creams,
6 ointments, and other similar products that relieve
7 breastfeeding-related symptoms or conditions of the
8 breasts or nipples, unless sold as part of a breast pump
9 kit that is pre-packaged by the breast pump manufacturer
10 or distributor.

11 "Breast pump kit" means a kit that: (1) contains no
12 more than a breast pump, breast pump collection and
13 storage supplies, a rechargeable battery for operating the
14 breast pump, a breastmilk cooler, bottle stands, ice
15 packs, and a breast pump carrying case; and (2) is
16 pre-packaged as a breast pump kit by the breast pump
17 manufacturer or distributor.

18 (42) Tangible personal property sold by or on behalf of
19 the State Treasurer pursuant to the Revised Uniform Unclaimed
20 Property Act. This item (42) is exempt from the provisions of
21 Section 3-90.

22 (43) Beginning on January 1, 2024, tangible personal
23 property purchased by an active duty member of the armed
24 forces of the United States who presents valid military
25 identification and purchases the property using a form of
26 payment where the federal government is the payor. The member

1 of the armed forces must complete, at the point of sale, a form
2 prescribed by the Department of Revenue documenting that the
3 transaction is eligible for the exemption under this
4 paragraph. Retailers must keep the form as documentation of
5 the exemption in their records for a period of not less than 6
6 years. "Armed forces of the United States" means the United
7 States Army, Navy, Air Force, Space Force, Marine Corps, or
8 Coast Guard. This paragraph is exempt from the provisions of
9 Section 3-90.

10 (44) Beginning July 1, 2024, home-delivered meals provided
11 to Medicare or Medicaid recipients when payment is made by an
12 intermediary, such as a Medicare Administrative Contractor, a
13 Managed Care Organization, or a Medicare Advantage
14 Organization, pursuant to a government contract. This item
15 (44) is exempt from the provisions of Section 3-90.

16 (45) Beginning on January 1, 2026, as further defined in
17 Section 3-10, food for human consumption that is to be
18 consumed off the premises where it is sold (other than
19 alcoholic liquor taxable under Section 8-1 of the Liquor
20 Control Act of 1934 ~~beverages~~, food consisting of or infused
21 with adult use cannabis, soft drinks, candy, and food that has
22 been prepared for immediate consumption). This item (45) is

23 exempt from the provisions of Section 3-90.
24 (46) Use by the lessee of the following leased tangible
25 personal property:
26 (1) software transferred subject to a license that

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1 meets the following requirements:
2 (A) it is evidenced by a written agreement signed
3 by the licensor and the customer;
4 (i) an electronic agreement in which the
5 customer accepts the license by means of an
6 electronic signature that is verifiable and can be
7 authenticated and is attached to or made part of
8 the license will comply with this requirement;
9 (ii) a license agreement in which the customer
10 electronically accepts the terms by clicking "I
11 agree" does not comply with this requirement;
12 (B) it restricts the customer's duplication and
13 use of the software;
14 (C) it prohibits the customer from licensing,
15 sublicensing, or transferring the software to a third
16 party (except to a related party) without the
17 permission and continued control of the licensor;
18 (D) the licensor has a policy of providing another
19 copy at minimal or no charge if the customer loses or
20 damages the software, or of permitting the licensee to
21 make and keep an archival copy, and such policy is
22 either stated in the license agreement, supported by
23 the licensor's books and records, or supported by a
24 notarized statement made under penalties of perjury by
25 the licensor; and
26 (E) the customer must destroy or return all copies

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1 of the software to the licensor at the end of the
2 license period; this provision is deemed to be met, in

the case of a perpetual license, without being set forth in the license agreement; and

(2) property that is subject to a tax on lease receipts imposed by a home rule unit of local government if the ordinance imposing that tax was adopted prior to January 1, 2023.

(Source: P.A. 103-9, Article 5, Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5, eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605, eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff. 8-15-25.)

(35 ILCS 105/3-10) from Ch. 120, par. 439.33-10

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of either the selling price or the fair market value, if any, of the tangible personal property, which, on and after January 1, 2025, includes leases of tangible personal property. In all cases where property functionally used or consumed is the same as the property that was purchased at retail, then the tax is imposed on the selling price of the property. In all cases where property functionally used or consumed is a by-product or waste product that has been refined, manufactured, or produced from property purchased at retail, then the tax is

imposed on the lower of the fair market value, if any, of the specific property so used in this State or on the selling price of the property purchased at retail. For purposes of this Section "fair market value" means the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. The fair market value shall be established by Illinois sales by the taxpayer of the same property as that functionally used or consumed, or if there are no such sales by the taxpayer, then comparable sales or purchases of property of like kind and character in Illinois.

Beginning on July 1, 2000 and through December 31, 2000, with respect to motor fuel, as defined in Section 1.1 of the

15 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
16 the Use Tax Act, the tax is imposed at the rate of 1.25%.

17 Beginning on August 6, 2010 through August 15, 2010, and
18 beginning again on August 5, 2022 through August 14, 2022,
19 with respect to sales tax holiday items as defined in Section
20 3-6 of this Act, the tax is imposed at the rate of 1.25%.

21 With respect to gasohol, the tax imposed by this Act
22 applies to (i) 70% of the proceeds of sales made on or after
23 January 1, 1990, and before July 1, 2003, (ii) 80% of the
24 proceeds of sales made on or after July 1, 2003 and on or
25 before July 1, 2017, (iii) 100% of the proceeds of sales made
26 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of

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1 the proceeds of sales made on or after January 1, 2024 and on
2 or before December 31, 2028, and (v) 100% of the proceeds of
3 sales made after December 31, 2028. If, at any time, however,
4 the tax under this Act on sales of gasohol is imposed at the
5 rate of 1.25%, then the tax imposed by this Act applies to 100%
6 of the proceeds of sales of gasohol made during that time.

7 With respect to mid-range ethanol blends, the tax imposed
8 by this Act applies to (i) 80% of the proceeds of sales made on
9 or after January 1, 2024 and on or before December 31, 2028 and
10 (ii) 100% of the proceeds of sales made thereafter. If, at any
11 time, however, the tax under this Act on sales of mid-range
12 ethanol blends is imposed at the rate of 1.25%, then the tax
13 imposed by this Act applies to 100% of the proceeds of sales of
14 mid-range ethanol blends made during that time.

15 With respect to majority blended ethanol fuel, the tax
16 imposed by this Act does not apply to the proceeds of sales
17 made on or after July 1, 2003 and on or before December 31,
18 2028 but applies to 100% of the proceeds of sales made
19 thereafter.

20 With respect to biodiesel blends with no less than 1% and
21 no more than 10% biodiesel, the tax imposed by this Act applies
22 to (i) 80% of the proceeds of sales made on or after July 1,
23 2003 and on or before December 31, 2018 and (ii) 100% of the
24 proceeds of sales made after December 31, 2018 and before
25 January 1, 2024. On and after January 1, 2024 and on or before
26 December 31, 2030, the taxation of biodiesel, renewable

1 diesel, and biodiesel blends shall be as provided in Section
2 3-5.1. If, at any time, however, the tax under this Act on
3 sales of biodiesel blends with no less than 1% and no more than
4 10% biodiesel is imposed at the rate of 1.25%, then the tax
5 imposed by this Act applies to 100% of the proceeds of sales of
6 biodiesel blends with no less than 1% and no more than 10%
7 biodiesel made during that time.

8 With respect to biodiesel and biodiesel blends with more
9 than 10% but no more than 99% biodiesel, the tax imposed by
10 this Act does not apply to the proceeds of sales made on or
11 after July 1, 2003 and on or before December 31, 2023. On and
12 after January 1, 2024 and on or before December 31, 2030, the
13 taxation of biodiesel, renewable diesel, and biodiesel blends
14 shall be as provided in Section 3-5.1.

15 Until July 1, 2022 and from July 1, 2023 through December
16 31, 2025, with respect to food for human consumption that is to
17 be consumed off the premises where it is sold (other than
18 alcoholic beverages, food consisting of or infused with adult
19 use cannabis, soft drinks, and food that has been prepared for
20 immediate consumption), the tax is imposed at the rate of 1%.
21 Beginning on July 1, 2022 and until July 1, 2023, with respect
22 to food for human consumption that is to be consumed off the
23 premises where it is sold (other than alcoholic beverages,
24 food consisting of or infused with adult use cannabis, soft
25 drinks, and food that has been prepared for immediate
26 consumption), the tax is imposed at the rate of 0%. On and

1 after January 1, 2026, food for human consumption that is to be
2 consumed off the premises where it is sold (other than
3 alcoholic liquor taxable under Section 8-1 of the Liquor
4 Control Act of 1934 ~~beverages~~, food consisting of or infused
5 with adult use cannabis, soft drinks, candy, and food that has
6 been prepared for immediate consumption) is exempt from the

7 tax imposed by this Act.

8 With respect to prescription and nonprescription
9 medicines, drugs, medical appliances, products classified as
10 Class III medical devices by the United States Food and Drug
11 Administration that are used for cancer treatment pursuant to
12 a prescription, as well as any accessories and components
13 related to those devices, modifications to a motor vehicle for
14 the purpose of rendering it usable by a person with a
15 disability, and insulin, blood sugar testing materials,
16 syringes, and needles used by human diabetics, the tax is
17 imposed at the rate of 1%. For the purposes of this Section,
18 until September 1, 2009: the term "soft drinks" means any
19 complete, finished, ready-to-use, non-alcoholic drink, whether
20 carbonated or not, including, but not limited to, soda water,
21 cola, fruit juice, vegetable juice, carbonated water, and all
22 other preparations commonly known as soft drinks of whatever
23 kind or description that are contained in any closed or sealed
24 bottle, can, carton, or container, regardless of size; but
25 "soft drinks" does not include coffee, tea, non-carbonated
26 water, infant formula, milk or milk products as defined in the

1 Grade A Pasteurized Milk and Milk Products Act, or drinks
2 containing 50% or more natural fruit or vegetable juice.

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

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

19 products that are dispensed hot from a vending machine,
20 regardless of the location of the vending machine.

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

1 other ingredients or flavorings in the form of bars, drops, or
2 pieces. "Candy" does not include any preparation that contains
3 flour or requires refrigeration.

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

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

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

26 As used in this Section, "adult use cannabis" means

1 cannabis subject to tax under the Cannabis Cultivation
2 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
3 and does not include cannabis subject to tax under the
4 Compassionate Use of Medical Cannabis Program Act.

5 If the property that is purchased at retail from a
6 retailer is acquired outside Illinois and used outside
7 Illinois before being brought to Illinois for use here and is
8 taxable under this Act, the "selling price" on which the tax is
9 computed shall be reduced by an amount that represents a
10 reasonable allowance for depreciation for the period of prior
11 out-of-state use. No depreciation is allowed in cases where
12 the tax under this Act is imposed on lease receipts.
13 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
14 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff.
15 8-15-25.)

16 (35 ILCS 105/12) (from Ch. 120, par. 439.12)

17 Sec. 12. Applicability of Retailers' Occupation Tax Act
18 and Uniform Penalty and Interest Act. All of the provisions of
19 Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12,
20 2-29, 2-54, 2a, 2b, 2c, 3, 4 (except that the time limitation
21 provisions shall run from the date when the tax is due rather
22 than from the date when gross receipts are received), 5
23 (except that the time limitation provisions on the issuance of
24 notices of tax liability shall run from the date when the tax
25 is due rather than from the date when gross receipts are

1 received and except that in the case of a failure to file a
2 return required by this Act, no notice of tax liability shall
3 be issued on and after each July 1 and January 1 covering tax
4 due with that return during any month or period more than 6
5 years before that July 1 or January 1, respectively), 5a, 5b,
6 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5j, 5k, 5l, 5m, 5n, 7, 8, 9, 10, 11 and
7 12 of the Retailers' Occupation Tax Act and Section 3-7 of the
8 Uniform Penalty and Interest Act, which are not inconsistent
9 with this Act, shall apply, as far as practicable, to the
10 subject matter of this Act to the same extent as if such

11 provisions were included herein.
12 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
13 103-595, eff. 6-26-24.)

14 Section 70-30. The Service Use Tax Act is amended by
15 changing Sections 3-5 and 3-10 as follows:

16 (35 ILCS 110/3-5)

17 Sec. 3-5. Exemptions. Use of the following tangible
18 personal property is exempt from the tax imposed by this Act:

19 (1) Personal property purchased from a corporation,
20 society, association, foundation, institution, or
21 organization, other than a limited liability company, that is
22 organized and operated as a not-for-profit service enterprise
23 for the benefit of persons 65 years of age or older if the
24 personal property was not purchased by the enterprise for the

1 purpose of resale by the enterprise.

2 (2) Personal property purchased by a non-profit Illinois
3 county fair association for use in conducting, operating, or
4 promoting the county fair.

5 (3) Personal property purchased by a not-for-profit arts
6 or cultural organization that establishes, by proof required
7 by the Department by rule, that it has received an exemption
8 under Section 501(c)(3) of the Internal Revenue Code and that
9 is organized and operated primarily for the presentation or
10 support of arts or cultural programming, activities, or
11 services. These organizations include, but are not limited to,
12 music and dramatic arts organizations such as symphony
13 orchestras and theatrical groups, arts and cultural service
14 organizations, local arts councils, visual arts organizations,
15 and media arts organizations. On and after July 1, 2001 (the
16 effective date of Public Act 92-35), however, an entity
17 otherwise eligible for this exemption shall not make tax-free
18 purchases unless it has an active identification number issued
19 by the Department.

20 (4) Legal tender, currency, medallions, or gold or silver
21 coinage issued by the State of Illinois, the government of the
22 United States of America, or the government of any foreign

23 country, and bullion.

24 (5) Until July 1, 2003 and beginning again on September 1,
25 2004 through August 30, 2014, graphic arts machinery and
26 equipment, including repair and replacement parts, both new

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1 and used, and including that manufactured on special order or
2 purchased for lease, certified by the purchaser to be used
3 primarily for graphic arts production. Equipment includes
4 chemicals or chemicals acting as catalysts but only if the
5 chemicals or chemicals acting as catalysts effect a direct and
6 immediate change upon a graphic arts product. Beginning on
7 July 1, 2017, graphic arts machinery and equipment is included
8 in the manufacturing and assembling machinery and equipment
9 exemption under Section 2 of this Act.

10 (6) Personal property purchased from a teacher-sponsored
11 student organization affiliated with an elementary or
12 secondary school located in Illinois.

13 (7) Farm machinery and equipment, both new and used,
14 including that manufactured on special order, certified by the
15 purchaser to be used primarily for production agriculture or
16 State or federal agricultural programs, including individual
17 replacement parts for the machinery and equipment, including
18 machinery and equipment purchased for lease, and including
19 implements of husbandry defined in Section 1-130 of the
20 Illinois Vehicle Code, farm machinery and agricultural
21 chemical and fertilizer spreaders, and nurse wagons required
22 to be registered under Section 3-809 of the Illinois Vehicle
23 Code, but excluding other motor vehicles required to be
24 registered under the Illinois Vehicle Code. Horticultural
25 polyhouses or hoop houses used for propagating, growing, or
26 overwintering plants shall be considered farm machinery and

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1 equipment under this item (7). Agricultural chemical tender
2 tanks and dry boxes shall include units sold separately from a

3 motor vehicle required to be licensed and units sold mounted
4 on a motor vehicle required to be licensed if the selling price
5 of the tender is separately stated.

6 Farm machinery and equipment shall include precision
7 farming equipment that is installed or purchased to be
8 installed on farm machinery and equipment, including, but not
9 limited to, tractors, harvesters, sprayers, planters, seeders,
10 or spreaders. Precision farming equipment includes, but is not
11 limited to, soil testing sensors, computers, monitors,
12 software, global positioning and mapping systems, and other
13 such equipment.

14 Farm machinery and equipment also includes computers,
15 sensors, software, and related equipment used primarily in the
16 computer-assisted operation of production agriculture
17 facilities, equipment, and activities such as, but not limited
18 to, the collection, monitoring, and correlation of animal and
19 crop data for the purpose of formulating animal diets and
20 agricultural chemicals.

21 Beginning on January 1, 2024, farm machinery and equipment
22 also includes electrical power generation equipment used
23 primarily for production agriculture.

24 This item (7) is exempt from the provisions of Section
25 3-75.

26 (8) Until June 30, 2013, fuel and petroleum products sold

1 to or used by an air common carrier, certified by the carrier
2 to be used for consumption, shipment, or storage in the
3 conduct of its business as an air common carrier, for a flight
4 destined for or returning from a location or locations outside
5 the United States without regard to previous or subsequent
6 domestic stopovers.

7 Beginning July 1, 2013, fuel and petroleum products sold
8 to or used by an air carrier, certified by the carrier to be
9 used for consumption, shipment, or storage in the conduct of
10 its business as an air common carrier, for a flight that (i) is
11 engaged in foreign trade or is engaged in trade between the
12 United States and any of its possessions and (ii) transports
13 at least one individual or package for hire from the city of
14 origination to the city of final destination on the same

15 aircraft, without regard to a change in the flight number of
16 that aircraft.

17 (9) Proceeds of mandatory service charges separately
18 stated on customers' bills for the purchase and consumption of
19 food and beverages acquired as an incident to the purchase of a
20 service from a serviceman, to the extent that the proceeds of
21 the service charge are in fact turned over as tips or as a
22 substitute for tips to the employees who participate directly
23 in preparing, serving, hosting or cleaning up the food or
24 beverage function with respect to which the service charge is
25 imposed.

26 (10) Until July 1, 2003, oil field exploration, drilling,

1 and production equipment, including (i) rigs and parts of
2 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
3 pipe and tubular goods, including casing and drill strings,
4 (iii) pumps and pump-jack units, (iv) storage tanks and flow
5 lines, (v) any individual replacement part for oil field
6 exploration, drilling, and production equipment, and (vi)
7 machinery and equipment purchased for lease; but excluding
8 motor vehicles required to be registered under the Illinois
9 Vehicle Code.

10 (11) Proceeds from the sale of photoprocessing machinery
11 and equipment, including repair and replacement parts, both
12 new and used, including that manufactured on special order,
13 certified by the purchaser to be used primarily for
14 photoprocessing, and including photoprocessing machinery and
15 equipment purchased for lease.

16 (12) Until July 1, 2028, coal and aggregate exploration,
17 mining, off-highway hauling, processing, maintenance, and
18 reclamation equipment, including replacement parts and
19 equipment, and including equipment purchased for lease, but
20 excluding motor vehicles required to be registered under the
21 Illinois Vehicle Code. The changes made to this Section by
22 Public Act 97-767 apply on and after July 1, 2003, but no claim
23 for credit or refund is allowed on or after August 16, 2013
24 (the effective date of Public Act 98-456) for such taxes paid
25 during the period beginning July 1, 2003 and ending on August
26 16, 2013 (the effective date of Public Act 98-456).

1 (13) Semen used for artificial insemination of livestock
2 for direct agricultural production.

3 (14) Horses, or interests in horses, registered with and
4 meeting the requirements of any of the Arabian Horse Club
5 Registry of America, Appaloosa Horse Club, American Quarter
6 Horse Association, United States Trotting Association, or
7 Jockey Club, as appropriate, used for purposes of breeding or
8 racing for prizes. This item (14) is exempt from the
9 provisions of Section 3-75, and the exemption provided for
10 under this item (14) applies for all periods beginning May 30,
11 1995, but no claim for credit or refund is allowed on or after
12 January 1, 2008 (the effective date of Public Act 95-88) for
13 such taxes paid during the period beginning May 30, 2000 and
14 ending on January 1, 2008 (the effective date of Public Act
15 95-88).

16 (15) Computers and communications equipment utilized for
17 any hospital purpose and equipment used in the diagnosis,
18 analysis, or treatment of hospital patients purchased by a
19 lessor who leases the equipment, under a lease of one year or
20 longer executed or in effect at the time the lessor would
21 otherwise be subject to the tax imposed by this Act, to a
22 hospital that has been issued an active tax exemption
23 identification number by the Department under Section 1g of
24 the Retailers' Occupation Tax Act. If the equipment is leased
25 in a manner that does not qualify for this exemption or is used
26 in any other non-exempt manner, the lessor shall be liable for

1 the tax imposed under this Act or the Use Tax Act, as the case
2 may be, based on the fair market value of the property at the
3 time the non-qualifying use occurs. No lessor shall collect or
4 attempt to collect an amount (however designated) that
5 purports to reimburse that lessor for the tax imposed by this
6 Act or the Use Tax Act, as the case may be, if the tax has not

7 been paid by the lessor. If a lessor improperly collects any
8 such amount from the lessee, the lessee shall have a legal
9 right to claim a refund of that amount from the lessor. If,
10 however, that amount is not refunded to the lessee for any
11 reason, the lessor is liable to pay that amount to the
12 Department.

13 (16) Personal property purchased by a lessor who leases
14 the property, under a lease of one year or longer executed or
15 in effect at the time the lessor would otherwise be subject to
16 the tax imposed by this Act, to a governmental body that has
17 been issued an active tax exemption identification number by
18 the Department under Section 1g of the Retailers' Occupation
19 Tax Act. If the property is leased in a manner that does not
20 qualify for this exemption or is used in any other non-exempt
21 manner, the lessor shall be liable for the tax imposed under
22 this Act or the Use Tax Act, as the case may be, based on the
23 fair market value of the property at the time the
24 non-qualifying use occurs. No lessor shall collect or attempt
25 to collect an amount (however designated) that purports to
26 reimburse that lessor for the tax imposed by this Act or the

1 Use Tax Act, as the case may be, if the tax has not been paid
2 by the lessor. If a lessor improperly collects any such amount
3 from the lessee, the lessee shall have a legal right to claim a
4 refund of that amount from the lessor. If, however, that
5 amount is not refunded to the lessee for any reason, the lessor
6 is liable to pay that amount to the Department.

7 (17) Beginning with taxable years ending on or after
8 December 31, 1995 and ending with taxable years ending on or
9 before December 31, 2004, personal property that is donated
10 for disaster relief to be used in a State or federally declared
11 disaster area in Illinois or bordering Illinois by a
12 manufacturer or retailer that is registered in this State to a
13 corporation, society, association, foundation, or institution
14 that has been issued a sales tax exemption identification
15 number by the Department that assists victims of the disaster
16 who reside within the declared disaster area.

17 (18) Beginning with taxable years ending on or after
18 December 31, 1995 and ending with taxable years ending on or

19 before December 31, 2004, personal property that is used in
20 the performance of infrastructure repairs in this State,
21 including, but not limited to, municipal roads and streets,
22 access roads, bridges, sidewalks, waste disposal systems,
23 water and sewer line extensions, water distribution and
24 purification facilities, storm water drainage and retention
25 facilities, and sewage treatment facilities, resulting from a
26 State or federally declared disaster in Illinois or bordering

1 Illinois when such repairs are initiated on facilities located
2 in the declared disaster area within 6 months after the
3 disaster.

4 (19) Beginning July 1, 1999, game or game birds purchased
5 at a "game breeding and hunting preserve area" as that term is
6 used in the Wildlife Code. This paragraph is exempt from the
7 provisions of Section 3-75.

8 (20) A motor vehicle, as that term is defined in Section
9 1-146 of the Illinois Vehicle Code, that is donated to a
10 corporation, limited liability company, society, association,
11 foundation, or institution that is determined by the
12 Department to be organized and operated exclusively for
13 educational purposes. For purposes of this exemption, "a
14 corporation, limited liability company, society, association,
15 foundation, or institution organized and operated exclusively
16 for educational purposes" means all tax-supported public
17 schools, private schools that offer systematic instruction in
18 useful branches of learning by methods common to public
19 schools and that compare favorably in their scope and
20 intensity with the course of study presented in tax-supported
21 schools, and vocational or technical schools or institutes
22 organized and operated exclusively to provide a course of
23 study of not less than 6 weeks duration and designed to prepare
24 individuals to follow a trade or to pursue a manual,
25 technical, mechanical, industrial, business, or commercial
26 occupation.

1 (21) Beginning January 1, 2000, personal property,
2 including food, purchased through fundraising events for the
3 benefit of a public or private elementary or secondary school,
4 a group of those schools, or one or more school districts if
5 the events are sponsored by an entity recognized by the school
6 district that consists primarily of volunteers and includes
7 parents and teachers of the school children. This paragraph
8 does not apply to fundraising events (i) for the benefit of
9 private home instruction or (ii) for which the fundraising
10 entity purchases the personal property sold at the events from
11 another individual or entity that sold the property for the
12 purpose of resale by the fundraising entity and that profits
13 from the sale to the fundraising entity. This paragraph is
14 exempt from the provisions of Section 3-75.

15 (22) Beginning January 1, 2000 and through December 31,
16 2001, new or used automatic vending machines that prepare and
17 serve hot food and beverages, including coffee, soup, and
18 other items, and replacement parts for these machines.
19 Beginning January 1, 2002 and through June 30, 2003, machines
20 and parts for machines used in commercial, coin-operated
21 amusement and vending business if a use or occupation tax is
22 paid on the gross receipts derived from the use of the
23 commercial, coin-operated amusement and vending machines. This
24 paragraph is exempt from the provisions of Section 3-75.

25 (23) Beginning August 23, 2001 and through June 30, 2016,
26 food for human consumption that is to be consumed off the

1 premises where it is sold (other than alcoholic beverages,
2 soft drinks, and food that has been prepared for immediate
3 consumption) and prescription and nonprescription medicines,
4 drugs, medical appliances, and insulin, urine testing
5 materials, syringes, and needles used by diabetics, for human
6 use, when purchased for use by a person receiving medical
7 assistance under Article V of the Illinois Public Aid Code who
8 resides in a licensed long-term care facility, as defined in
9 the Nursing Home Care Act, or in a licensed facility as defined
10 in the ID/DD Community Care Act, the MC/DD Act, or the

11 Specialized Mental Health Rehabilitation Act of 2013.
12 (24) Beginning on August 2, 2001 (the effective date of
13 Public Act 92-227), computers and communications equipment
14 utilized for any hospital purpose and equipment used in the
15 diagnosis, analysis, or treatment of hospital patients
16 purchased by a lessor who leases the equipment, under a lease
17 of one year or longer executed or in effect at the time the
18 lessor would otherwise be subject to the tax imposed by this
19 Act, to a hospital that has been issued an active tax exemption
20 identification number by the Department under Section 1g of
21 the Retailers' Occupation Tax Act. If the equipment is leased
22 in a manner that does not qualify for this exemption or is used
23 in any other nonexempt manner, the lessor shall be liable for
24 the tax imposed under this Act or the Use Tax Act, as the case
25 may be, based on the fair market value of the property at the
26 time the nonqualifying use occurs. No lessor shall collect or

1 attempt to collect an amount (however designated) that
2 purports to reimburse that lessor for the tax imposed by this
3 Act or the Use Tax Act, as the case may be, if the tax has not
4 been paid by the lessor. If a lessor improperly collects any
5 such amount from the lessee, the lessee shall have a legal
6 right to claim a refund of that amount from the lessor. If,
7 however, that amount is not refunded to the lessee for any
8 reason, the lessor is liable to pay that amount to the
9 Department. This paragraph is exempt from the provisions of
10 Section 3-75.

11 (25) Beginning on August 2, 2001 (the effective date of
12 Public Act 92-227), personal property purchased by a lessor
13 who leases the property, under a lease of one year or longer
14 executed or in effect at the time the lessor would otherwise be
15 subject to the tax imposed by this Act, to a governmental body
16 that has been issued an active tax exemption identification
17 number by the Department under Section 1g of the Retailers'
18 Occupation Tax Act. If the property is leased in a manner that
19 does not qualify for this exemption or is used in any other
20 nonexempt manner, the lessor shall be liable for the tax
21 imposed under this Act or the Use Tax Act, as the case may be,
22 based on the fair market value of the property at the time the

23 nonqualifying use occurs. No lessor shall collect or attempt
24 to collect an amount (however designated) that purports to
25 reimburse that lessor for the tax imposed by this Act or the
26 Use Tax Act, as the case may be, if the tax has not been paid

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1 by the lessor. If a lessor improperly collects any such amount
2 from the lessee, the lessee shall have a legal right to claim a
3 refund of that amount from the lessor. If, however, that
4 amount is not refunded to the lessee for any reason, the lessor
5 is liable to pay that amount to the Department. This paragraph
6 is exempt from the provisions of Section 3-75.

7 (26) Beginning January 1, 2008, tangible personal property
8 used in the construction or maintenance of a community water
9 supply, as defined under Section 3.145 of the Environmental
10 Protection Act, that is operated by a not-for-profit
11 corporation that holds a valid water supply permit issued
12 under Title IV of the Environmental Protection Act. This
13 paragraph is exempt from the provisions of Section 3-75.

14 (27) Beginning January 1, 2010 and continuing through
15 December 31, 2029, materials, parts, equipment, components,
16 and furnishings incorporated into or upon an aircraft as part
17 of the modification, refurbishment, completion, replacement,
18 repair, or maintenance of the aircraft. This exemption
19 includes consumable supplies used in the modification,
20 refurbishment, completion, replacement, repair, and
21 maintenance of aircraft. However, until January 1, 2024, this
22 exemption excludes any materials, parts, equipment,
23 components, and consumable supplies used in the modification,
24 replacement, repair, and maintenance of aircraft engines or
25 power plants, whether such engines or power plants are
26 installed or uninstalled upon any such aircraft. "Consumable

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1 supplies" include, but are not limited to, adhesive, tape,
2 sandpaper, general purpose lubricants, cleaning solution,

3 latex gloves, and protective films.

4 Beginning January 1, 2010 and continuing through December
5 31, 2023, this exemption applies only to the use of qualifying
6 tangible personal property transferred incident to the
7 modification, refurbishment, completion, replacement, repair,
8 or maintenance of aircraft by persons who (i) hold an Air
9 Agency Certificate and are empowered to operate an approved
10 repair station by the Federal Aviation Administration, (ii)
11 have a Class IV Rating, and (iii) conduct operations in
12 accordance with Part 145 of the Federal Aviation Regulations.
13 From January 1, 2024 through December 31, 2029, this exemption
14 applies only to the use of qualifying tangible personal
15 property transferred incident to: (A) the modification,
16 refurbishment, completion, repair, replacement, or maintenance
17 of an aircraft by persons who (i) hold an Air Agency
18 Certificate and are empowered to operate an approved repair
19 station by the Federal Aviation Administration, (ii) have a
20 Class IV Rating, and (iii) conduct operations in accordance
21 with Part 145 of the Federal Aviation Regulations; and (B) the
22 modification, replacement, repair, and maintenance of aircraft
23 engines or power plants without regard to whether or not those
24 persons meet the qualifications of item (A).

25 The exemption does not include aircraft operated by a
26 commercial air carrier providing scheduled passenger air

1 service pursuant to authority issued under Part 121 or Part
2 129 of the Federal Aviation Regulations. The changes made to
3 this paragraph (27) by Public Act 98-534 are declarative of
4 existing law. It is the intent of the General Assembly that the
5 exemption under this paragraph (27) applies continuously from
6 January 1, 2010 through December 31, 2024; however, no claim
7 for credit or refund is allowed for taxes paid as a result of
8 the disallowance of this exemption on or after January 1, 2015
9 and prior to February 5, 2020 (the effective date of Public Act
10 101-629).

11 (28) Tangible personal property purchased by a
12 public-facilities corporation, as described in Section
13 11-65-10 of the Illinois Municipal Code, for purposes of
14 constructing or furnishing a municipal convention hall, but

15 only if the legal title to the municipal convention hall is
16 transferred to the municipality without any further
17 consideration by or on behalf of the municipality at the time
18 of the completion of the municipal convention hall or upon the
19 retirement or redemption of any bonds or other debt
20 instruments issued by the public-facilities corporation in
21 connection with the development of the municipal convention
22 hall. This exemption includes existing public-facilities
23 corporations as provided in Section 11-65-25 of the Illinois
24 Municipal Code. This paragraph is exempt from the provisions
25 of Section 3-75.

26 (29) Beginning January 1, 2017 and through December 31,

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1 2026, menstrual pads, tampons, and menstrual cups.

2 (30) Tangible personal property transferred to a purchaser
3 who is exempt from the tax imposed by this Act by operation of
4 federal law. This paragraph is exempt from the provisions of
5 Section 3-75.

6 (31) Qualified tangible personal property used in the
7 construction or operation of a data center that has been
8 granted a certificate of exemption by the Department of
9 Commerce and Economic Opportunity, whether that tangible
10 personal property is purchased by the owner, operator, or
11 tenant of the data center or by a contractor or subcontractor
12 of the owner, operator, or tenant. Data centers that would
13 have qualified for a certificate of exemption prior to January
14 1, 2020 had Public Act 101-31 been in effect, may apply for and
15 obtain an exemption for subsequent purchases of computer
16 equipment or enabling software purchased or leased to upgrade,
17 supplement, or replace computer equipment or enabling software
18 purchased or leased in the original investment that would have
19 qualified.

20 The Department of Commerce and Economic Opportunity shall
21 grant a certificate of exemption under this item (31) to
22 qualified data centers as defined by Section 605-1025 of the
23 Department of Commerce and Economic Opportunity Law of the
24 Civil Administrative Code of Illinois.

25 For the purposes of this item (31):

26 "Data center" means a building or a series of

1 buildings rehabilitated or constructed to house working
2 servers in one physical location or multiple sites within
3 the State of Illinois.

4 "Qualified tangible personal property" means:
5 electrical systems and equipment; climate control and
6 chilling equipment and systems; mechanical systems and
7 equipment; monitoring and secure systems; emergency
8 generators; hardware; computers; servers; data storage
9 devices; network connectivity equipment; racks; cabinets;
10 telecommunications cabling infrastructure; raised floor
11 systems; peripheral components or systems; software;
12 mechanical, electrical, or plumbing systems; battery
13 systems; cooling systems and towers; temperature control
14 systems; other cabling; and other data center
15 infrastructure equipment and systems necessary to operate
16 qualified tangible personal property, including fixtures;
17 and component parts of any of the foregoing, including
18 installation, maintenance, repair, refurbishment, and
19 replacement of qualified tangible personal property to
20 generate, transform, transmit, distribute, or manage
21 electricity necessary to operate qualified tangible
22 personal property; and all other tangible personal
23 property that is essential to the operations of a computer
24 data center. The term "qualified tangible personal
25 property" also includes building materials physically
26 incorporated into the qualifying data center. To document

1 the exemption allowed under this Section, the retailer
2 must obtain from the purchaser a copy of the certificate
3 of eligibility issued by the Department of Commerce and
4 Economic Opportunity.

5 This item (31) is exempt from the provisions of Section
6 3-75.

7 (32) Beginning July 1, 2022, breast pumps, breast pump
8 collection and storage supplies, and breast pump kits. This
9 item (32) is exempt from the provisions of Section 3-75. As
10 used in this item (32):

11 "Breast pump" means an electrically controlled or
12 manually controlled pump device designed or marketed to be
13 used to express milk from a human breast during lactation,
14 including the pump device and any battery, AC adapter, or
15 other power supply unit that is used to power the pump
16 device and is packaged and sold with the pump device at the
17 time of sale.

18 "Breast pump collection and storage supplies" means
19 items of tangible personal property designed or marketed
20 to be used in conjunction with a breast pump to collect
21 milk expressed from a human breast and to store collected
22 milk until it is ready for consumption.

23 "Breast pump collection and storage supplies"
24 includes, but is not limited to: breast shields and breast
25 shield connectors; breast pump tubes and tubing adapters;
26 breast pump valves and membranes; backflow protectors and

1 backflow protector adaptors; bottles and bottle caps
2 specific to the operation of the breast pump; and breast
3 milk storage bags.

4 "Breast pump collection and storage supplies" does not
5 include: (1) bottles and bottle caps not specific to the
6 operation of the breast pump; (2) breast pump travel bags
7 and other similar carrying accessories, including ice
8 packs, labels, and other similar products; (3) breast pump
9 cleaning supplies; (4) nursing bras, bra pads, breast
10 shells, and other similar products; and (5) creams,
11 ointments, and other similar products that relieve
12 breastfeeding-related symptoms or conditions of the
13 breasts or nipples, unless sold as part of a breast pump
14 kit that is pre-packaged by the breast pump manufacturer
15 or distributor.

16 "Breast pump kit" means a kit that: (1) contains no
17 more than a breast pump, breast pump collection and
18 storage supplies, a rechargeable battery for operating the

19 breast pump, a breastmilk cooler, bottle stands, ice
20 packs, and a breast pump carrying case; and (2) is
21 pre-packaged as a breast pump kit by the breast pump
22 manufacturer or distributor.

23 (33) Tangible personal property sold by or on behalf of
24 the State Treasurer pursuant to the Revised Uniform Unclaimed
25 Property Act. This item (33) is exempt from the provisions of
26 Section 3-75.

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1 (34) Beginning on January 1, 2024, tangible personal
2 property purchased by an active duty member of the armed
3 forces of the United States who presents valid military
4 identification and purchases the property using a form of
5 payment where the federal government is the payor. The member
6 of the armed forces must complete, at the point of sale, a form
7 prescribed by the Department of Revenue documenting that the
8 transaction is eligible for the exemption under this
9 paragraph. Retailers must keep the form as documentation of
10 the exemption in their records for a period of not less than 6
11 years. "Armed forces of the United States" means the United
12 States Army, Navy, Air Force, Space Force, Marine Corps, or
13 Coast Guard. This paragraph is exempt from the provisions of
14 Section 3-75.

15 (35) Beginning July 1, 2024, home-delivered meals provided
16 to Medicare or Medicaid recipients when payment is made by an
17 intermediary, such as a Medicare Administrative Contractor, a
18 Managed Care Organization, or a Medicare Advantage
19 Organization, pursuant to a government contract. This
20 paragraph (35) is exempt from the provisions of Section 3-75.

21 (36) Beginning on January 1, 2026, as further defined in
22 Section 3-10, food prepared for immediate consumption and
23 transferred incident to a sale of service subject to this Act
24 or the Service Occupation Tax Act by an entity licensed under
25 the Hospital Licensing Act, the Nursing Home Care Act, the
26 Assisted Living and Shared Housing Act, the ID/DD Community

1 Care Act, the MC/DD Act, the Specialized Mental Health
2 Rehabilitation Act of 2013, or the Child Care Act of 1969 or by
3 an entity that holds a permit issued pursuant to the Life Care
4 Facilities Act. This item (36) is exempt from the provisions
5 of Section 3-75.

6 (37) Beginning on January 1, 2026, as further defined in
7 Section 3-10, food for human consumption that is to be
8 consumed off the premises where it is sold (other than
9 alcoholic liquor taxable under Section 8-1 of the Liquor
10 Control Act of 1934 beverages, food consisting of or infused
11 with adult use cannabis, soft drinks, candy, and food that has
12 been prepared for immediate consumption). This item (37) is
13 exempt from the provisions of Section 3-75.

14 (38) Use by a lessee of the following leased tangible
15 personal property:

16 (1) software transferred subject to a license that
17 meets the following requirements:

18 (A) it is evidenced by a written agreement signed
19 by the licensor and the customer;

20 (i) an electronic agreement in which the
21 customer accepts the license by means of an
22 electronic signature that is verifiable and can be
23 authenticated and is attached to or made part of
24 the license will comply with this requirement;

25 (ii) a license agreement in which the customer
26 electronically accepts the terms by clicking "I

1 agree" does not comply with this requirement;

2 (B) it restricts the customer's duplication and
3 use of the software;

4 (C) it prohibits the customer from licensing,
5 sublicensing, or transferring the software to a third
6 party (except to a related party) without the
7 permission and continued control of the licensor;

8 (D) the licensor has a policy of providing another
9 copy at minimal or no charge if the customer loses or
10 damages the software, or of permitting the licensee to

11 make and keep an archival copy, and such policy is
12 either stated in the license agreement, supported by
13 the licensor's books and records, or supported by a
14 notarized statement made under penalties of perjury by
15 the licensor; and

16 (E) the customer must destroy or return all copies
17 of the software to the licensor at the end of the
18 license period; this provision is deemed to be met, in
19 the case of a perpetual license, without being set
20 forth in the license agreement; and

21 (2) property that is subject to a tax on lease
22 receipts imposed by a home rule unit of local government
23 if the ordinance imposing that tax was adopted prior to
24 January 1, 2023.

25 (Source: P.A. 103-9, Article 5, Section 5-10, eff. 6-7-23;
26 103-9, Article 15, Section 15-10, eff. 6-7-23; 103-154, eff.

1 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,
2 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;
3 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-417, eff.
4 8-15-25.)

5 (35 ILCS 110/3-10)

6 Sec. 3-10. Rate of tax. Unless otherwise provided in this
7 Section, the tax imposed by this Act is at the rate of 6.25% of
8 the selling price of tangible personal property transferred,
9 including, on and after January 1, 2025, transferred by lease,
10 as an incident to the sale of service, but, for the purpose of
11 computing this tax, in no event shall the selling price be less
12 than the cost price of the property to the serviceman.

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

17 With respect to gasohol, as defined in the Use Tax Act, the
18 tax imposed by this Act applies to (i) 70% of the selling price
19 of property transferred as an incident to the sale of service
20 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
21 of the selling price of property transferred as an incident to

22 the sale of service on or after July 1, 2003 and on or before
23 July 1, 2017, (iii) 100% of the selling price of property
24 transferred as an incident to the sale of service after July 1,
25 2017 and before January 1, 2024, (iv) 90% of the selling price

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1 of property transferred as an incident to the sale of service
2 on or after January 1, 2024 and on or before December 31, 2028,
3 and (v) 100% of the selling price of property transferred as an
4 incident to the sale of service after December 31, 2028. If, at
5 any time, however, the tax under this Act on sales of gasohol,
6 as defined in the Use Tax Act, is imposed at the rate of 1.25%,
7 then the tax imposed by this Act applies to 100% of the
8 proceeds of sales of gasohol made during that time.

9 With respect to mid-range ethanol blends, as defined in
10 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
11 applies to (i) 80% of the selling price of property
12 transferred as an incident to the sale of service on or after
13 January 1, 2024 and on or before December 31, 2028 and (ii)
14 100% of the selling price of property transferred as an
15 incident to the sale of service after December 31, 2028. If, at
16 any time, however, the tax under this Act on sales of mid-range
17 ethanol blends is imposed at the rate of 1.25%, then the tax
18 imposed by this Act applies to 100% of the selling price of
19 mid-range ethanol blends transferred as an incident to the
20 sale of service during that time.

21 With respect to majority blended ethanol fuel, as defined
22 in the Use Tax Act, the tax imposed by this Act does not apply
23 to the selling price of property transferred as an incident to
24 the sale of service on or after July 1, 2003 and on or before
25 December 31, 2028 but applies to 100% of the selling price
26 thereafter.

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1 With respect to biodiesel blends, as defined in the Use
2 Tax Act, with no less than 1% and no more than 10% biodiesel,

3 the tax imposed by this Act applies to (i) 80% of the selling
4 price of property transferred as an incident to the sale of
5 service on or after July 1, 2003 and on or before December 31,
6 2018 and (ii) 100% of the proceeds of the selling price after
7 December 31, 2018 and before January 1, 2024. On and after
8 January 1, 2024 and on or before December 31, 2030, the
9 taxation of biodiesel, renewable diesel, and biodiesel blends
10 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
11 at any time, however, the tax under this Act on sales of
12 biodiesel blends, as defined in the Use Tax Act, with no less
13 than 1% and no more than 10% biodiesel is imposed at the rate
14 of 1.25%, then the tax imposed by this Act applies to 100% of
15 the proceeds of sales of biodiesel blends with no less than 1%
16 and no more than 10% biodiesel made during that time.

17 With respect to biodiesel, as defined in the Use Tax Act,
18 and biodiesel blends, as defined in the Use Tax Act, with more
19 than 10% but no more than 99% biodiesel, the tax imposed by
20 this Act does not apply to the proceeds of the selling price of
21 property transferred as an incident to the sale of service on
22 or after July 1, 2003 and on or before December 31, 2023. On
23 and after January 1, 2024 and on or before December 31, 2030,
24 the taxation of biodiesel, renewable diesel, and biodiesel
25 blends shall be as provided in Section 3-5.1 of the Use Tax
26 Act.

1 At the election of any registered serviceman made for each
2 fiscal year, for whom the aggregate annual cost price of
3 tangible personal property transferred as an incident to the
4 sales of service is less than 35%, or 75% in the case of
5 servicemen transferring prescription drugs or servicemen
6 engaged in graphic arts production, of the aggregate annual
7 total gross receipts from all sales of service, the tax
8 imposed by this Act shall be based on the serviceman's cost
9 price of the tangible personal property transferred as an
10 incident to the sale of those services. This election may also
11 be made by any serviceman maintaining a place of business in
12 this State who makes retail sales from outside of this State to
13 Illinois customers but is not required to be registered under
14 Section 2a of the Retailers' Occupation Tax Act. Beginning

15 January 1, 2026, this election shall not apply to any sale of
16 service made through a marketplace that has met the threshold
17 in subsection (b-5) of Section 2d of this Act.

18 Beginning January 1, 2026, the tax shall be imposed at the
19 rate of 6.25% of 50% of the entire billing to the service
20 customer for all sales of service made through a marketplace
21 that has met the threshold in subsection (b-5) of Section 2d of
22 this Act. In no event shall 50% of the entire billing be less
23 than the cost price of the property to the marketplace
24 serviceman or the marketplace facilitator on its own sales of
25 service.

26 Until July 1, 2022 and from July 1, 2023 through December

1 31, 2025, the tax shall be imposed at the rate of 1% on food
2 prepared for immediate consumption and transferred incident to
3 a sale of service subject to this Act or the Service Occupation
4 Tax Act by an entity licensed under the Hospital Licensing
5 Act, the Nursing Home Care Act, the Assisted Living and Shared
6 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
7 Specialized Mental Health Rehabilitation Act of 2013, or the
8 Child Care Act of 1969, or an entity that holds a permit issued
9 pursuant to the Life Care Facilities Act. Until July 1, 2022
10 and from July 1, 2023 through December 31, 2025, the tax shall
11 also be imposed at the rate of 1% on food for human consumption
12 that is to be consumed off the premises where it is sold (other
13 than alcoholic beverages, food consisting of or infused with
14 adult use cannabis, soft drinks, and food that has been
15 prepared for immediate consumption and is not otherwise
16 included in this paragraph).

17 Beginning on July 1, 2022 and until July 1, 2023, the tax
18 shall be imposed at the rate of 0% on food prepared for
19 immediate consumption and transferred incident to a sale of
20 service subject to this Act or the Service Occupation Tax Act
21 by an entity licensed under the Hospital Licensing Act, the
22 Nursing Home Care Act, the Assisted Living and Shared Housing
23 Act, the ID/DD Community Care Act, the MC/DD Act, the
24 Specialized Mental Health Rehabilitation Act of 2013, or the
25 Child Care Act of 1969, or an entity that holds a permit issued
26 pursuant to the Life Care Facilities Act. Beginning on July 1,

1 2022 and until July 1, 2023, the tax shall also be imposed at
2 the rate of 0% on food for human consumption that is to be
3 consumed off the premises where it is sold (other than
4 alcoholic beverages, food consisting of or infused with adult
5 use cannabis, soft drinks, and food that has been prepared for
6 immediate consumption and is not otherwise included in this
7 paragraph).

8 On and after January 1, 2026, food prepared for immediate
9 consumption and transferred incident to a sale of service
10 subject to this Act or the Service Occupation Tax Act by an
11 entity licensed under the Hospital Licensing Act, the Nursing
12 Home Care Act, the Assisted Living and Shared Housing Act, the
13 ID/DD Community Care Act, the MC/DD Act, the Specialized
14 Mental Health Rehabilitation Act of 2013, or the Child Care
15 Act of 1969, or by an entity that holds a permit issued
16 pursuant to the Life Care Facilities Act is exempt from the tax
17 under this Act. On and after January 1, 2026, food for human
18 consumption that is to be consumed off the premises where it is
19 sold (other than alcoholic liquor taxable under Section 8-1 of
20 the Liquor Control Act of 1934 ~~beverages~~, food consisting of
21 or infused with adult use cannabis, soft drinks, candy, and
22 food that has been prepared for immediate consumption and is
23 not otherwise included in this paragraph) is exempt from the
24 tax under this Act.

25 The tax shall be imposed at the rate of 1% on prescription
26 and nonprescription medicines, drugs, medical appliances,

1 products classified as Class III medical devices by the United
2 States Food and Drug Administration that are used for cancer
3 treatment pursuant to a prescription, as well as any
4 accessories and components related to those devices,
5 modifications to a motor vehicle for the purpose of rendering
6 it usable by a person with a disability, and insulin, blood

7 sugar testing materials, syringes, and needles used by human
8 diabetics. For the purposes of this Section, until September
9 1, 2009: the term "soft drinks" means any complete, finished,
10 ready-to-use, non-alcoholic drink, whether carbonated or not,
11 including, but not limited to, soda water, cola, fruit juice,
12 vegetable juice, carbonated water, and all other preparations
13 commonly known as soft drinks of whatever kind or description
14 that are contained in any closed or sealed bottle, can,
15 carton, or container, regardless of size; but "soft drinks"
16 does not include coffee, tea, non-carbonated water, infant
17 formula, milk or milk products as defined in the Grade A
18 Pasteurized Milk and Milk Products Act, or drinks containing
19 50% or more natural fruit or vegetable juice.

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

26 Until August 1, 2009, and notwithstanding any other

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

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

19 pieces. "Candy" does not include any preparation that contains
20 flour or requires refrigeration.

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

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

- 8 (A) a "Drug Facts" panel; or
- 9 (B) a statement of the "active ingredient(s)" with a
10 list of those ingredients contained in the compound,
11 substance or preparation.

12 Beginning on January 1, 2014 (the effective date of Public
13 Act 98-122), "prescription and nonprescription medicines and
14 drugs" includes medical cannabis purchased from a registered
15 dispensing organization under the Compassionate Use of Medical
16 Cannabis Program Act.

17 As used in this Section, "adult use cannabis" means
18 cannabis subject to tax under the Cannabis Cultivation
19 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
20 and does not include cannabis subject to tax under the
21 Compassionate Use of Medical Cannabis Program Act.

22 If the property that is acquired from a serviceman is
23 acquired outside Illinois and used outside Illinois before
24 being brought to Illinois for use here and is taxable under
25 this Act, the "selling price" on which the tax is computed
26 shall be reduced by an amount that represents a reasonable

1 allowance for depreciation for the period of prior
2 out-of-state use. No depreciation is allowed in cases where
3 the tax under this Act is imposed on lease receipts.
4 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
5 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-6, eff.
6 6-16-25; 104-417, eff. 8-15-25.)

7 Section 70-35. The Service Occupation Tax Act is amended
8 by changing Sections 3-5 and 3-10 as follows:

9 (35 ILCS 115/3-5)

10 Sec. 3-5. Exemptions. The following tangible personal
11 property is exempt from the tax imposed by this Act:

12 (1) Personal property sold by a corporation, society,
13 association, foundation, institution, or organization, other
14 than a limited liability company, that is organized and
15 operated as a not-for-profit service enterprise for the
16 benefit of persons 65 years of age or older if the personal
17 property was not purchased by the enterprise for the purpose
18 of resale by the enterprise.

19 (2) Personal property purchased by a not-for-profit
20 Illinois county fair association for use in conducting,
21 operating, or promoting the county fair.

22 (3) Personal property purchased by any not-for-profit arts
23 or cultural organization that establishes, by proof required
24 by the Department by rule, that it has received an exemption

1 under Section 501(c)(3) of the Internal Revenue Code and that
2 is organized and operated primarily for the presentation or
3 support of arts or cultural programming, activities, or
4 services. These organizations include, but are not limited to,
5 music and dramatic arts organizations such as symphony
6 orchestras and theatrical groups, arts and cultural service
7 organizations, local arts councils, visual arts organizations,
8 and media arts organizations. On and after July 1, 2001 (the
9 effective date of Public Act 92-35), however, an entity
10 otherwise eligible for this exemption shall not make tax-free

11 purchases unless it has an active identification number issued
12 by the Department.

13 (4) Legal tender, currency, medallions, or gold or silver
14 coinage issued by the State of Illinois, the government of the
15 United States of America, or the government of any foreign
16 country, and bullion.

17 (5) Until July 1, 2003 and beginning again on September 1,
18 2004 through August 30, 2014, graphic arts machinery and
19 equipment, including repair and replacement parts, both new
20 and used, and including that manufactured on special order or
21 purchased for lease, certified by the purchaser to be used
22 primarily for graphic arts production. Equipment includes
23 chemicals or chemicals acting as catalysts but only if the
24 chemicals or chemicals acting as catalysts effect a direct and
25 immediate change upon a graphic arts product. Beginning on
26 July 1, 2017, graphic arts machinery and equipment is included

1 in the manufacturing and assembling machinery and equipment
2 exemption under Section 2 of this Act.

3 (6) Personal property sold by a teacher-sponsored student
4 organization affiliated with an elementary or secondary school
5 located in Illinois.

6 (7) Farm machinery and equipment, both new and used,
7 including that manufactured on special order, certified by the
8 purchaser to be used primarily for production agriculture or
9 State or federal agricultural programs, including individual
10 replacement parts for the machinery and equipment, including
11 machinery and equipment purchased for lease, and including
12 implements of husbandry defined in Section 1-130 of the
13 Illinois Vehicle Code, farm machinery and agricultural
14 chemical and fertilizer spreaders, and nurse wagons required
15 to be registered under Section 3-809 of the Illinois Vehicle
16 Code, but excluding other motor vehicles required to be
17 registered under the Illinois Vehicle Code. Horticultural
18 polyhouses or hoop houses used for propagating, growing, or
19 overwintering plants shall be considered farm machinery and
20 equipment under this item (7). Agricultural chemical tender
21 tanks and dry boxes shall include units sold separately from a
22 motor vehicle required to be licensed and units sold mounted

23 on a motor vehicle required to be licensed if the selling price
24 of the tender is separately stated.
25 Farm machinery and equipment shall include precision
26 farming equipment that is installed or purchased to be

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1 installed on farm machinery and equipment, including, but not
2 limited to, tractors, harvesters, sprayers, planters, seeders,
3 or spreaders. Precision farming equipment includes, but is not
4 limited to, soil testing sensors, computers, monitors,
5 software, global positioning and mapping systems, and other
6 such equipment.

7 Farm machinery and equipment also includes computers,
8 sensors, software, and related equipment used primarily in the
9 computer-assisted operation of production agriculture
10 facilities, equipment, and activities such as, but not limited
11 to, the collection, monitoring, and correlation of animal and
12 crop data for the purpose of formulating animal diets and
13 agricultural chemicals.

14 Beginning on January 1, 2024, farm machinery and equipment
15 also includes electrical power generation equipment used
16 primarily for production agriculture.

17 This item (7) is exempt from the provisions of Section
18 3-55.

19 (8) Until June 30, 2013, fuel and petroleum products sold
20 to or used by an air common carrier, certified by the carrier
21 to be used for consumption, shipment, or storage in the
22 conduct of its business as an air common carrier, for a flight
23 destined for or returning from a location or locations outside
24 the United States without regard to previous or subsequent
25 domestic stopovers.

26 Beginning July 1, 2013, fuel and petroleum products sold

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1 to or used by an air carrier, certified by the carrier to be
2 used for consumption, shipment, or storage in the conduct of

3 its business as an air common carrier, for a flight that (i) is
4 engaged in foreign trade or is engaged in trade between the
5 United States and any of its possessions and (ii) transports
6 at least one individual or package for hire from the city of
7 origination to the city of final destination on the same
8 aircraft, without regard to a change in the flight number of
9 that aircraft.

10 (9) Proceeds of mandatory service charges separately
11 stated on customers' bills for the purchase and consumption of
12 food and beverages, to the extent that the proceeds of the
13 service charge are in fact turned over as tips or as a
14 substitute for tips to the employees who participate directly
15 in preparing, serving, hosting or cleaning up the food or
16 beverage function with respect to which the service charge is
17 imposed.

18 (10) Until July 1, 2003, oil field exploration, drilling,
19 and production equipment, including (i) rigs and parts of
20 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
21 pipe and tubular goods, including casing and drill strings,
22 (iii) pumps and pump-jack units, (iv) storage tanks and flow
23 lines, (v) any individual replacement part for oil field
24 exploration, drilling, and production equipment, and (vi)
25 machinery and equipment purchased for lease; but excluding
26 motor vehicles required to be registered under the Illinois

1 Vehicle Code.

2 (11) Photoprocessing machinery and equipment, including
3 repair and replacement parts, both new and used, including
4 that manufactured on special order, certified by the purchaser
5 to be used primarily for photoprocessing, and including
6 photoprocessing machinery and equipment purchased for lease.

7 (12) Until July 1, 2028, coal and aggregate exploration,
8 mining, off-highway hauling, processing, maintenance, and
9 reclamation equipment, including replacement parts and
10 equipment, and including equipment purchased for lease, but
11 excluding motor vehicles required to be registered under the
12 Illinois Vehicle Code. The changes made to this Section by
13 Public Act 97-767 apply on and after July 1, 2003, but no claim
14 for credit or refund is allowed on or after August 16, 2013

15 (the effective date of Public Act 98-456) for such taxes paid
16 during the period beginning July 1, 2003 and ending on August
17 16, 2013 (the effective date of Public Act 98-456).

18 (13) Beginning January 1, 1992 and through June 30, 2016,
19 food for human consumption that is to be consumed off the
20 premises where it is sold (other than alcoholic beverages,
21 soft drinks and food that has been prepared for immediate
22 consumption) and prescription and non-prescription medicines,
23 drugs, medical appliances, and insulin, urine testing
24 materials, syringes, and needles used by diabetics, for human
25 use, when purchased for use by a person receiving medical
26 assistance under Article V of the Illinois Public Aid Code who

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1 resides in a licensed long-term care facility, as defined in
2 the Nursing Home Care Act, or in a licensed facility as defined
3 in the ID/DD Community Care Act, the MC/DD Act, or the
4 Specialized Mental Health Rehabilitation Act of 2013.

5 (14) Semen used for artificial insemination of livestock
6 for direct agricultural production.

7 (15) Horses, or interests in horses, registered with and
8 meeting the requirements of any of the Arabian Horse Club
9 Registry of America, Appaloosa Horse Club, American Quarter
10 Horse Association, United States Trotting Association, or
11 Jockey Club, as appropriate, used for purposes of breeding or
12 racing for prizes. This item (15) is exempt from the
13 provisions of Section 3-55, and the exemption provided for
14 under this item (15) applies for all periods beginning May 30,
15 1995, but no claim for credit or refund is allowed on or after
16 January 1, 2008 (the effective date of Public Act 95-88) for
17 such taxes paid during the period beginning May 30, 2000 and
18 ending on January 1, 2008 (the effective date of Public Act
19 95-88).

20 (16) Computers and communications equipment utilized for
21 any hospital purpose and equipment used in the diagnosis,
22 analysis, or treatment of hospital patients sold to a lessor
23 who leases the equipment, under a lease of one year or longer
24 executed or in effect at the time of the purchase, to a
25 hospital that has been issued an active tax exemption
26 identification number by the Department under Section 1g of

1 the Retailers' Occupation Tax Act.

2 (17) Personal property sold to a lessor who leases the
3 property, under a lease of one year or longer executed or in
4 effect at the time of the purchase, to a governmental body that
5 has been issued an active tax exemption identification number
6 by the Department under Section 1g of the Retailers'
7 Occupation Tax Act.

8 (18) Beginning with taxable years ending on or after
9 December 31, 1995 and ending with taxable years ending on or
10 before December 31, 2004, personal property that is donated
11 for disaster relief to be used in a State or federally declared
12 disaster area in Illinois or bordering Illinois by a
13 manufacturer or retailer that is registered in this State to a
14 corporation, society, association, foundation, or institution
15 that has been issued a sales tax exemption identification
16 number by the Department that assists victims of the disaster
17 who reside within the declared disaster area.

18 (19) Beginning with taxable years ending on or after
19 December 31, 1995 and ending with taxable years ending on or
20 before December 31, 2004, personal property that is used in
21 the performance of infrastructure repairs in this State,
22 including, but not limited to, municipal roads and streets,
23 access roads, bridges, sidewalks, waste disposal systems,
24 water and sewer line extensions, water distribution and
25 purification facilities, storm water drainage and retention
26 facilities, and sewage treatment facilities, resulting from a

1 State or federally declared disaster in Illinois or bordering
2 Illinois when such repairs are initiated on facilities located
3 in the declared disaster area within 6 months after the
4 disaster.

5 (20) Beginning July 1, 1999, game or game birds sold at a
6 "game breeding and hunting preserve area" as that term is used

7 in the Wildlife Code. This paragraph is exempt from the
8 provisions of Section 3-55.

9 (21) A motor vehicle, as that term is defined in Section
10 1-146 of the Illinois Vehicle Code, that is donated to a
11 corporation, limited liability company, society, association,
12 foundation, or institution that is determined by the
13 Department to be organized and operated exclusively for
14 educational purposes. For purposes of this exemption, "a
15 corporation, limited liability company, society, association,
16 foundation, or institution organized and operated exclusively
17 for educational purposes" means all tax-supported public
18 schools, private schools that offer systematic instruction in
19 useful branches of learning by methods common to public
20 schools and that compare favorably in their scope and
21 intensity with the course of study presented in tax-supported
22 schools, and vocational or technical schools or institutes
23 organized and operated exclusively to provide a course of
24 study of not less than 6 weeks duration and designed to prepare
25 individuals to follow a trade or to pursue a manual,
26 technical, mechanical, industrial, business, or commercial

1 occupation.

2 (22) Beginning January 1, 2000, personal property,
3 including food, purchased through fundraising events for the
4 benefit of a public or private elementary or secondary school,
5 a group of those schools, or one or more school districts if
6 the events are sponsored by an entity recognized by the school
7 district that consists primarily of volunteers and includes
8 parents and teachers of the school children. This paragraph
9 does not apply to fundraising events (i) for the benefit of
10 private home instruction or (ii) for which the fundraising
11 entity purchases the personal property sold at the events from
12 another individual or entity that sold the property for the
13 purpose of resale by the fundraising entity and that profits
14 from the sale to the fundraising entity. This paragraph is
15 exempt from the provisions of Section 3-55.

16 (23) Beginning January 1, 2000 and through December 31,
17 2001, new or used automatic vending machines that prepare and
18 serve hot food and beverages, including coffee, soup, and

19 other items, and replacement parts for these machines.
20 Beginning January 1, 2002 and through June 30, 2003, machines
21 and parts for machines used in commercial, coin-operated
22 amusement and vending business if a use or occupation tax is
23 paid on the gross receipts derived from the use of the
24 commercial, coin-operated amusement and vending machines. This
25 paragraph is exempt from the provisions of Section 3-55.
26 (24) Beginning on August 2, 2001 (the effective date of

1 Public Act 92-227), computers and communications equipment
2 utilized for any hospital purpose and equipment used in the
3 diagnosis, analysis, or treatment of hospital patients sold to
4 a lessor who leases the equipment, under a lease of one year or
5 longer executed or in effect at the time of the purchase, to a
6 hospital that has been issued an active tax exemption
7 identification number by the Department under Section 1g of
8 the Retailers' Occupation Tax Act. This paragraph is exempt
9 from the provisions of Section 3-55.

10 (25) Beginning on August 2, 2001 (the effective date of
11 Public Act 92-227), personal property sold to a lessor who
12 leases the property, under a lease of one year or longer
13 executed or in effect at the time of the purchase, to a
14 governmental body that has been issued an active tax exemption
15 identification number by the Department under Section 1g of
16 the Retailers' Occupation Tax Act. This paragraph is exempt
17 from the provisions of Section 3-55.

18 (26) Beginning on January 1, 2002 and through June 30,
19 2016, tangible personal property purchased from an Illinois
20 retailer by a taxpayer engaged in centralized purchasing
21 activities in Illinois who will, upon receipt of the property
22 in Illinois, temporarily store the property in Illinois (i)
23 for the purpose of subsequently transporting it outside this
24 State for use or consumption thereafter solely outside this
25 State or (ii) for the purpose of being processed, fabricated,
26 or manufactured into, attached to, or incorporated into other

1 tangible personal property to be transported outside this
2 State and thereafter used or consumed solely outside this
3 State. The Director of Revenue shall, pursuant to rules
4 adopted in accordance with the Illinois Administrative
5 Procedure Act, issue a permit to any taxpayer in good standing
6 with the Department who is eligible for the exemption under
7 this paragraph (26). The permit issued under this paragraph
8 (26) shall authorize the holder, to the extent and in the
9 manner specified in the rules adopted under this Act, to
10 purchase tangible personal property from a retailer exempt
11 from the taxes imposed by this Act. Taxpayers shall maintain
12 all necessary books and records to substantiate the use and
13 consumption of all such tangible personal property outside of
14 the State of Illinois.

15 (27) Beginning January 1, 2008, tangible personal property
16 used in the construction or maintenance of a community water
17 supply, as defined under Section 3.145 of the Environmental
18 Protection Act, that is operated by a not-for-profit
19 corporation that holds a valid water supply permit issued
20 under Title IV of the Environmental Protection Act. This
21 paragraph is exempt from the provisions of Section 3-55.

22 (28) Tangible personal property sold to a
23 public-facilities corporation, as described in Section
24 11-65-10 of the Illinois Municipal Code, for purposes of
25 constructing or furnishing a municipal convention hall, but
26 only if the legal title to the municipal convention hall is

1 transferred to the municipality without any further
2 consideration by or on behalf of the municipality at the time
3 of the completion of the municipal convention hall or upon the
4 retirement or redemption of any bonds or other debt
5 instruments issued by the public-facilities corporation in
6 connection with the development of the municipal convention
7 hall. This exemption includes existing public-facilities
8 corporations as provided in Section 11-65-25 of the Illinois
9 Municipal Code. This paragraph is exempt from the provisions
10 of Section 3-55.

11 (29) Beginning January 1, 2010 and continuing through
12 December 31, 2029, materials, parts, equipment, components,
13 and furnishings incorporated into or upon an aircraft as part
14 of the modification, refurbishment, completion, replacement,
15 repair, or maintenance of the aircraft. This exemption
16 includes consumable supplies used in the modification,
17 refurbishment, completion, replacement, repair, and
18 maintenance of aircraft. However, until January 1, 2024, this
19 exemption excludes any materials, parts, equipment,
20 components, and consumable supplies used in the modification,
21 replacement, repair, and maintenance of aircraft engines or
22 power plants, whether such engines or power plants are
23 installed or uninstalled upon any such aircraft. "Consumable
24 supplies" include, but are not limited to, adhesive, tape,
25 sandpaper, general purpose lubricants, cleaning solution,
26 latex gloves, and protective films.

1 Beginning January 1, 2010 and continuing through December
2 31, 2023, this exemption applies only to the transfer of
3 qualifying tangible personal property incident to the
4 modification, refurbishment, completion, replacement, repair,
5 or maintenance of an aircraft by persons who (i) hold an Air
6 Agency Certificate and are empowered to operate an approved
7 repair station by the Federal Aviation Administration, (ii)
8 have a Class IV Rating, and (iii) conduct operations in
9 accordance with Part 145 of the Federal Aviation Regulations.
10 The exemption does not include aircraft operated by a
11 commercial air carrier providing scheduled passenger air
12 service pursuant to authority issued under Part 121 or Part
13 129 of the Federal Aviation Regulations. From January 1, 2024
14 through December 31, 2029, this exemption applies only to the
15 transfer of qualifying tangible personal property incident to:
16 (A) the modification, refurbishment, completion, repair,
17 replacement, or maintenance of an aircraft by persons who (i)
18 hold an Air Agency Certificate and are empowered to operate an
19 approved repair station by the Federal Aviation
20 Administration, (ii) have a Class IV Rating, and (iii) conduct
21 operations in accordance with Part 145 of the Federal Aviation
22 Regulations; and (B) the modification, replacement, repair,

23 and maintenance of aircraft engines or power plants without
24 regard to whether or not those persons meet the qualifications
25 of item (A).

26 The changes made to this paragraph (29) by Public Act

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1 98-534 are declarative of existing law. It is the intent of the
2 General Assembly that the exemption under this paragraph (29)
3 applies continuously from January 1, 2010 through December 31,
4 2024; however, no claim for credit or refund is allowed for
5 taxes paid as a result of the disallowance of this exemption on
6 or after January 1, 2015 and prior to February 5, 2020 (the
7 effective date of Public Act 101-629).

8 (30) Beginning January 1, 2017 and through December 31,
9 2026, menstrual pads, tampons, and menstrual cups.

10 (31) Tangible personal property transferred to a purchaser
11 who is exempt from tax by operation of federal law. This
12 paragraph is exempt from the provisions of Section 3-55.

13 (32) Qualified tangible personal property used in the
14 construction or operation of a data center that has been
15 granted a certificate of exemption by the Department of
16 Commerce and Economic Opportunity, whether that tangible
17 personal property is purchased by the owner, operator, or
18 tenant of the data center or by a contractor or subcontractor
19 of the owner, operator, or tenant. Data centers that would
20 have qualified for a certificate of exemption prior to January
21 1, 2020 had Public Act 101-31 been in effect, may apply for and
22 obtain an exemption for subsequent purchases of computer
23 equipment or enabling software purchased or leased to upgrade,
24 supplement, or replace computer equipment or enabling software
25 purchased or leased in the original investment that would have
26 qualified.

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1 The Department of Commerce and Economic Opportunity shall
2 grant a certificate of exemption under this item (32) to

3 qualified data centers as defined by Section 605-1025 of the
4 Department of Commerce and Economic Opportunity Law of the
5 Civil Administrative Code of Illinois.

6 For the purposes of this item (32):

7 "Data center" means a building or a series of
8 buildings rehabilitated or constructed to house working
9 servers in one physical location or multiple sites within
10 the State of Illinois.

11 "Qualified tangible personal property" means:
12 electrical systems and equipment; climate control and
13 chilling equipment and systems; mechanical systems and
14 equipment; monitoring and secure systems; emergency
15 generators; hardware; computers; servers; data storage
16 devices; network connectivity equipment; racks; cabinets;
17 telecommunications cabling infrastructure; raised floor
18 systems; peripheral components or systems; software;
19 mechanical, electrical, or plumbing systems; battery
20 systems; cooling systems and towers; temperature control
21 systems; other cabling; and other data center
22 infrastructure equipment and systems necessary to operate
23 qualified tangible personal property, including fixtures;
24 and component parts of any of the foregoing, including
25 installation, maintenance, repair, refurbishment, and
26 replacement of qualified tangible personal property to

1 generate, transform, transmit, distribute, or manage
2 electricity necessary to operate qualified tangible
3 personal property; and all other tangible personal
4 property that is essential to the operations of a computer
5 data center. The term "qualified tangible personal
6 property" also includes building materials physically
7 incorporated into the qualifying data center. To document
8 the exemption allowed under this Section, the retailer
9 must obtain from the purchaser a copy of the certificate
10 of eligibility issued by the Department of Commerce and
11 Economic Opportunity.

12 This item (32) is exempt from the provisions of Section
13 3-55.

14 (33) Beginning July 1, 2022, breast pumps, breast pump

15 collection and storage supplies, and breast pump kits. This
16 item (33) is exempt from the provisions of Section 3-55. As
17 used in this item (33):

18 "Breast pump" means an electrically controlled or
19 manually controlled pump device designed or marketed to be
20 used to express milk from a human breast during lactation,
21 including the pump device and any battery, AC adapter, or
22 other power supply unit that is used to power the pump
23 device and is packaged and sold with the pump device at the
24 time of sale.

25 "Breast pump collection and storage supplies" means
26 items of tangible personal property designed or marketed

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1 to be used in conjunction with a breast pump to collect
2 milk expressed from a human breast and to store collected
3 milk until it is ready for consumption.

4 "Breast pump collection and storage supplies"
5 includes, but is not limited to: breast shields and breast
6 shield connectors; breast pump tubes and tubing adapters;
7 breast pump valves and membranes; backflow protectors and
8 backflow protector adaptors; bottles and bottle caps
9 specific to the operation of the breast pump; and breast
10 milk storage bags.

11 "Breast pump collection and storage supplies" does not
12 include: (1) bottles and bottle caps not specific to the
13 operation of the breast pump; (2) breast pump travel bags
14 and other similar carrying accessories, including ice
15 packs, labels, and other similar products; (3) breast pump
16 cleaning supplies; (4) nursing bras, bra pads, breast
17 shells, and other similar products; and (5) creams,
18 ointments, and other similar products that relieve
19 breastfeeding-related symptoms or conditions of the
20 breasts or nipples, unless sold as part of a breast pump
21 kit that is pre-packaged by the breast pump manufacturer
22 or distributor.

23 "Breast pump kit" means a kit that: (1) contains no
24 more than a breast pump, breast pump collection and
25 storage supplies, a rechargeable battery for operating the
26 breast pump, a breastmilk cooler, bottle stands, ice

1 packs, and a breast pump carrying case; and (2) is
2 pre-packaged as a breast pump kit by the breast pump
3 manufacturer or distributor.

4 (34) Tangible personal property sold by or on behalf of
5 the State Treasurer pursuant to the Revised Uniform Unclaimed
6 Property Act. This item (34) is exempt from the provisions of
7 Section 3-55.

8 (35) Beginning on January 1, 2024, tangible personal
9 property purchased by an active duty member of the armed
10 forces of the United States who presents valid military
11 identification and purchases the property using a form of
12 payment where the federal government is the payor. The member
13 of the armed forces must complete, at the point of sale, a form
14 prescribed by the Department of Revenue documenting that the
15 transaction is eligible for the exemption under this
16 paragraph. Retailers must keep the form as documentation of
17 the exemption in their records for a period of not less than 6
18 years. "Armed forces of the United States" means the United
19 States Army, Navy, Air Force, Space Force, Marine Corps, or
20 Coast Guard. This paragraph is exempt from the provisions of
21 Section 3-55.

22 (36) Beginning July 1, 2024, home-delivered meals provided
23 to Medicare or Medicaid recipients when payment is made by an
24 intermediary, such as a Medicare Administrative Contractor, a
25 Managed Care Organization, or a Medicare Advantage
26 Organization, pursuant to a government contract. This

1 paragraph (36) is exempt from the provisions of Section 3-55.

2 (37) Beginning on January 1, 2026, as further defined in
3 Section 3-10, food prepared for immediate consumption and
4 transferred incident to a sale of service subject to this Act
5 or the Service Use Tax Act by an entity licensed under the
6 Hospital Licensing Act, the Nursing Home Care Act, the

7 Assisted Living and Shared Housing Act, the ID/DD Community
8 Care Act, the MC/DD Act, the Specialized Mental Health
9 Rehabilitation Act of 2013, or the Child Care Act of 1969 or by
10 an entity that holds a permit issued pursuant to the Life Care
11 Facilities Act. This item (37) is exempt from the provisions
12 of Section 3-55.

13 (38) Beginning on January 1, 2026, as further defined in
14 Section 3-10, food for human consumption that is to be
15 consumed off the premises where it is sold (other than
16 alcoholic liquor taxable under Section 8-1 of the Liquor
17 Control Act of 1934 ~~beverages~~, food consisting of or infused
18 with adult use cannabis, soft drinks, candy, and food that has
19 been prepared for immediate consumption). This item (38) is
20 exempt from the provisions of Section 3-55.

21 (39) The lease of the following tangible personal
22 property:

23 (1) computer software transferred subject to a license
24 that meets the following requirements:

25 (A) it is evidenced by a written agreement signed
26 by the licensor and the customer;

1 (i) an electronic agreement in which the
2 customer accepts the license by means of an
3 electronic signature that is verifiable and can be
4 authenticated and is attached to or made part of
5 the license will comply with this requirement;

6 (ii) a license agreement in which the customer
7 electronically accepts the terms by clicking "I
8 agree" does not comply with this requirement;

9 (B) it restricts the customer's duplication and
10 use of the software;

11 (C) it prohibits the customer from licensing,
12 sublicensing, or transferring the software to a third
13 party (except to a related party) without the
14 permission and continued control of the licensor;

15 (D) the licensor has a policy of providing another
16 copy at minimal or no charge if the customer loses or
17 damages the software, or of permitting the licensee to
18 make and keep an archival copy, and such policy is

19 either stated in the license agreement, supported by
20 the licensor's books and records, or supported by a
21 notarized statement made under penalties of perjury by
22 the licensor; and

23 (E) the customer must destroy or return all copies
24 of the software to the licensor at the end of the
25 license period; this provision is deemed to be met, in
26 the case of a perpetual license, without being set

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1 forth in the license agreement; and

2 (2) property that is subject to a tax on lease
3 receipts imposed by a home rule unit of local government
4 if the ordinance imposing that tax was adopted prior to
5 January 1, 2023.

6 (Source: P.A. 103-9, Article 5, Section 5-15, eff. 6-7-23;
7 103-9, Article 15, Section 15-15, eff. 6-7-23; 103-154, eff.
8 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,
9 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;
10 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-417, eff.
11 8-15-25.)

12 (35 ILCS 115/3-10)

13 Sec. 3-10. Rate of tax. Unless otherwise provided in this
14 Section, the tax imposed by this Act is at the rate of 6.25% of
15 the "selling price", as defined in Section 2 of the Service Use
16 Tax Act, of the tangible personal property, including, on and
17 after January 1, 2025, tangible personal property transferred
18 by lease. For the purpose of computing this tax, in no event
19 shall the "selling price" be less than the cost price to the
20 serviceman of the tangible personal property transferred. The
21 selling price of each item of tangible personal property
22 transferred as an incident of a sale of service may be shown as
23 a distinct and separate item on the serviceman's billing to
24 the service customer. If the selling price is not so shown, the
25 selling price of the tangible personal property is deemed to

1 be 50% of the serviceman's entire billing to the service
2 customer. When, however, a serviceman contracts to design,
3 develop, and produce special order machinery or equipment, the
4 tax imposed by this Act shall be based on the serviceman's cost
5 price of the tangible personal property transferred incident
6 to the completion of the contract.

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

11 With respect to gasohol, as defined in the Use Tax Act, the
12 tax imposed by this Act shall apply to (i) 70% of the cost
13 price of property transferred as an incident to the sale of
14 service on or after January 1, 1990, and before July 1, 2003,
15 (ii) 80% of the selling price of property transferred as an
16 incident to the sale of service on or after July 1, 2003 and on
17 or before July 1, 2017, (iii) 100% of the selling price of
18 property transferred as an incident to the sale of service
19 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
20 the selling price of property transferred as an incident to
21 the sale of service on or after January 1, 2024 and on or
22 before December 31, 2028, and (v) 100% of the selling price of
23 property transferred as an incident to the sale of service
24 after December 31, 2028. If, at any time, however, the tax
25 under this Act on sales of gasohol, as defined in the Use Tax
26 Act, is imposed at the rate of 1.25%, then the tax imposed by

1 this Act applies to 100% of the proceeds of sales of gasohol
2 made during that time.

3 With respect to mid-range ethanol blends, as defined in
4 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
5 applies to (i) 80% of the selling price of property
6 transferred as an incident to the sale of service on or after
7 January 1, 2024 and on or before December 31, 2028 and (ii)
8 100% of the selling price of property transferred as an
9 incident to the sale of service after December 31, 2028. If, at
10 any time, however, the tax under this Act on sales of mid-range

11 ethanol blends is imposed at the rate of 1.25%, then the tax
12 imposed by this Act applies to 100% of the selling price of
13 mid-range ethanol blends transferred as an incident to the
14 sale of service during that time.

15 With respect to majority blended ethanol fuel, as defined
16 in the Use Tax Act, the tax imposed by this Act does not apply
17 to the selling price of property transferred as an incident to
18 the sale of service on or after July 1, 2003 and on or before
19 December 31, 2028 but applies to 100% of the selling price
20 thereafter.

21 With respect to biodiesel blends, as defined in the Use
22 Tax Act, with no less than 1% and no more than 10% biodiesel,
23 the tax imposed by this Act applies to (i) 80% of the selling
24 price of property transferred as an incident to the sale of
25 service on or after July 1, 2003 and on or before December 31,
26 2018 and (ii) 100% of the proceeds of the selling price after

1 December 31, 2018 and before January 1, 2024. On and after
2 January 1, 2024 and on or before December 31, 2030, the
3 taxation of biodiesel, renewable diesel, and biodiesel blends
4 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
5 at any time, however, the tax under this Act on sales of
6 biodiesel blends, as defined in the Use Tax Act, with no less
7 than 1% and no more than 10% biodiesel is imposed at the rate
8 of 1.25%, then the tax imposed by this Act applies to 100% of
9 the proceeds of sales of biodiesel blends with no less than 1%
10 and no more than 10% biodiesel made during that time.

11 With respect to biodiesel, as defined in the Use Tax Act,
12 and biodiesel blends, as defined in the Use Tax Act, with more
13 than 10% but no more than 99% biodiesel material, the tax
14 imposed by this Act does not apply to the proceeds of the
15 selling price of property transferred as an incident to the
16 sale of service on or after July 1, 2003 and on or before
17 December 31, 2023. On and after January 1, 2024 and on or
18 before December 31, 2030, the taxation of biodiesel, renewable
19 diesel, and biodiesel blends shall be as provided in Section
20 3-5.1 of the Use Tax Act.

21 At the election of any registered serviceman made for each
22 fiscal year, for whom the aggregate annual cost price of

23 tangible personal property transferred as an incident to the
24 sales of service is less than 35%, or 75% in the case of
25 servicemen transferring prescription drugs or servicemen
26 engaged in graphic arts production, of the aggregate annual

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1 total gross receipts from all sales of service, the tax
2 imposed by this Act shall be based on the serviceman's cost
3 price of the tangible personal property transferred incident
4 to the sale of those services. This election may also be made
5 by a serviceman maintaining a place of business in this State
6 who makes retail sales from outside of this State to Illinois
7 customers but is not required to be registered under Section
8 2a of the Retailers' Occupation Tax Act. Beginning January 1,
9 2026, this election shall not apply to any sale of service made
10 through a marketplace that has met the threshold in subsection
11 (d) of Section 3 of this Act.

12 Beginning January 1, 2026, the tax shall be imposed at the
13 rate of 6.25% of 50% of the entire billing to the service
14 customer for all sales of service made through a marketplace
15 that has met the threshold in subsection (d) of Section 3 of
16 this Act. In no event shall 50% of the entire billing be less
17 than the cost price of the property to the marketplace
18 serviceman or the marketplace facilitator on its own sales of
19 service.

20 Until July 1, 2022 and from July 1, 2023 through December
21 31, 2025, the tax shall be imposed at the rate of 1% on food
22 prepared for immediate consumption and transferred incident to
23 a sale of service subject to this Act or the Service Use Tax
24 Act by an entity licensed under the Hospital Licensing Act,
25 the Nursing Home Care Act, the Assisted Living and Shared
26 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the

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1 Specialized Mental Health Rehabilitation Act of 2013, or the
2 Child Care Act of 1969, or an entity that holds a permit issued

3 pursuant to the Life Care Facilities Act. Until July 1, 2022
4 and from July 1, 2023 through December 31, 2025, the tax shall
5 also be imposed at the rate of 1% on food for human consumption
6 that is to be consumed off the premises where it is sold (other
7 than alcoholic beverages, food consisting of or infused with
8 adult use cannabis, soft drinks, and food that has been
9 prepared for immediate consumption and is not otherwise
10 included in this paragraph).

11 Beginning on July 1, 2022 and until July 1, 2023, the tax
12 shall be imposed at the rate of 0% on food prepared for
13 immediate consumption and transferred incident to a sale of
14 service subject to this Act or the Service Use Tax Act by an
15 entity licensed under the Hospital Licensing Act, the Nursing
16 Home Care Act, the Assisted Living and Shared Housing Act, the
17 ID/DD Community Care Act, the MC/DD Act, the Specialized
18 Mental Health Rehabilitation Act of 2013, or the Child Care
19 Act of 1969, or an entity that holds a permit issued pursuant
20 to the Life Care Facilities Act. Beginning July 1, 2022 and
21 until July 1, 2023, the tax shall also be imposed at the rate
22 of 0% on food for human consumption that is to be consumed off
23 the premises where it is sold (other than alcoholic beverages,
24 food consisting of or infused with adult use cannabis, soft
25 drinks, and food that has been prepared for immediate
26 consumption and is not otherwise included in this paragraph).

1 On and after January 1, 2026, food prepared for immediate
2 consumption and transferred incident to a sale of service
3 subject to this Act or the Service Use Tax Act by an entity
4 licensed under the Hospital Licensing Act, the Nursing Home
5 Care Act, the Assisted Living and Shared Housing Act, the
6 ID/DD Community Care Act, the MC/DD Act, the Specialized
7 Mental Health Rehabilitation Act of 2013, or the Child Care
8 Act of 1969, or an entity that holds a permit issued pursuant
9 to the Life Care Facilities Act is exempt from the tax imposed
10 by this Act. On and after January 1, 2026, food for human
11 consumption that is to be consumed off the premises where it is
12 sold (other than alcoholic liquor taxable under Section 8-1 of
13 the Liquor Control Act of 1934 ~~beverages~~, food consisting of
14 or infused with adult use cannabis, soft drinks, candy, and

15 food that has been prepared for immediate consumption and is
16 not otherwise included in this paragraph) is exempt from the
17 tax imposed by this Act.

18 The tax shall be imposed at the rate of 1% on prescription
19 and nonprescription medicines, drugs, medical appliances,
20 products classified as Class III medical devices by the United
21 States Food and Drug Administration that are used for cancer
22 treatment pursuant to a prescription, as well as any
23 accessories and components related to those devices,
24 modifications to a motor vehicle for the purpose of rendering
25 it usable by a person with a disability, and insulin, blood
26 sugar testing materials, syringes, and needles used by human

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

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

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

1 off the premises where it is sold" includes all food sold
2 through a vending machine, except soft drinks, candy, and food
3 products that are dispensed hot from a vending machine,
4 regardless of the location of the vending machine.

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

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

1 (A) a "Drug Facts" panel; or
2 (B) a statement of the "active ingredient(s)" with a
3 list of those ingredients contained in the compound,
4 substance or preparation.

5 Beginning on January 1, 2014 (the effective date of Public
6 Act 98-122), "prescription and nonprescription medicines and

7 drugs" includes medical cannabis purchased from a registered
8 dispensing organization under the Compassionate Use of Medical
9 Cannabis Program Act.

10 As used in this Section, "adult use cannabis" means
11 cannabis subject to tax under the Cannabis Cultivation
12 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
13 and does not include cannabis subject to tax under the
14 Compassionate Use of Medical Cannabis Program Act.
15 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
16 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-6, eff.
17 6-16-25; 104-417, eff. 8-15-25.)

18 Section 70-40. The Retailers' Occupation Tax Act is
19 amended by changing Sections 2-5, 2-10, and 2-13 as follows:

20 (35 ILCS 120/2-5)

21 Sec. 2-5. Exemptions. Gross receipts from proceeds from
22 the sale, which, on and after January 1, 2025, includes the
23 lease, of the following tangible personal property are exempt
24 from the tax imposed by this Act:

1 (1) Farm chemicals.

2 (2) Farm machinery and equipment, both new and used,
3 including that manufactured on special order, certified by
4 the purchaser to be used primarily for production
5 agriculture or State or federal agricultural programs,
6 including individual replacement parts for the machinery
7 and equipment, including machinery and equipment purchased
8 for lease, and including implements of husbandry defined
9 in Section 1-130 of the Illinois Vehicle Code, farm
10 machinery and agricultural chemical and fertilizer
11 spreaders, and nurse wagons required to be registered
12 under Section 3-809 of the Illinois Vehicle Code, but
13 excluding other motor vehicles required to be registered
14 under the Illinois Vehicle Code. Horticultural polyhouses
15 or hoop houses used for propagating, growing, or
16 overwintering plants shall be considered farm machinery
17 and equipment under this item (2). Agricultural chemical
18 tender tanks and dry boxes shall include units sold

19 separately from a motor vehicle required to be licensed
20 and units sold mounted on a motor vehicle required to be
21 licensed, if the selling price of the tender is separately
22 stated.

23 Farm machinery and equipment shall include precision
24 farming equipment that is installed or purchased to be
25 installed on farm machinery and equipment including, but
26 not limited to, tractors, harvesters, sprayers, planters,

1 seeders, or spreaders. Precision farming equipment
2 includes, but is not limited to, soil testing sensors,
3 computers, monitors, software, global positioning and
4 mapping systems, and other such equipment.

5 Farm machinery and equipment also includes computers,
6 sensors, software, and related equipment used primarily in
7 the computer-assisted operation of production agriculture
8 facilities, equipment, and activities such as, but not
9 limited to, the collection, monitoring, and correlation of
10 animal and crop data for the purpose of formulating animal
11 diets and agricultural chemicals.

12 Beginning on January 1, 2024, farm machinery and
13 equipment also includes electrical power generation
14 equipment used primarily for production agriculture.

15 This item (2) is exempt from the provisions of Section
16 2-70.

17 (3) Until July 1, 2003, distillation machinery and
18 equipment, sold as a unit or kit, assembled or installed
19 by the retailer, certified by the user to be used only for
20 the production of ethyl alcohol that will be used for
21 consumption as motor fuel or as a component of motor fuel
22 for the personal use of the user, and not subject to sale
23 or resale.

24 (4) Until July 1, 2003 and beginning again September
25 1, 2004 through August 30, 2014, graphic arts machinery
26 and equipment, including repair and replacement parts,

1 both new and used, and including that manufactured on
2 special order or purchased for lease, certified by the
3 purchaser to be used primarily for graphic arts
4 production. Equipment includes chemicals or chemicals
5 acting as catalysts but only if the chemicals or chemicals
6 acting as catalysts effect a direct and immediate change
7 upon a graphic arts product. Beginning on July 1, 2017,
8 graphic arts machinery and equipment is included in the
9 manufacturing and assembling machinery and equipment
10 exemption under paragraph (14).

11 (5) A motor vehicle that is used for automobile
12 renting, as defined in the Automobile Renting Occupation
13 and Use Tax Act. This paragraph is exempt from the
14 provisions of Section 2-70.

15 (6) Personal property sold by a teacher-sponsored
16 student organization affiliated with an elementary or
17 secondary school located in Illinois.

18 (7) Until July 1, 2003, proceeds of that portion of
19 the selling price of a passenger car the sale of which is
20 subject to the Replacement Vehicle Tax.

21 (8) Personal property sold to an Illinois county fair
22 association for use in conducting, operating, or promoting
23 the county fair.

24 (9) Personal property sold to a not-for-profit arts or
25 cultural organization that establishes, by proof required
26 by the Department by rule, that it has received an

1 exemption under Section 501(c)(3) of the Internal Revenue
2 Code and that is organized and operated primarily for the
3 presentation or support of arts or cultural programming,
4 activities, or services. These organizations include, but
5 are not limited to, music and dramatic arts organizations
6 such as symphony orchestras and theatrical groups, arts
7 and cultural service organizations, local arts councils,
8 visual arts organizations, and media arts organizations.
9 On and after July 1, 2001 (the effective date of Public Act
10 92-35), however, an entity otherwise eligible for this

11 exemption shall not make tax-free purchases unless it has
12 an active identification number issued by the Department.

13 (10) Personal property sold by a corporation, society,
14 association, foundation, institution, or organization,
15 other than a limited liability company, that is organized
16 and operated as a not-for-profit service enterprise for
17 the benefit of persons 65 years of age or older if the
18 personal property was not purchased by the enterprise for
19 the purpose of resale by the enterprise.

20 (11) Except as otherwise provided in this Section,
21 personal property sold to a governmental body, to a
22 corporation, society, association, foundation, or
23 institution organized and operated exclusively for
24 charitable, religious, or educational purposes, or to a
25 not-for-profit corporation, society, association,
26 foundation, institution, or organization that has no

1 compensated officers or employees and that is organized
2 and operated primarily for the recreation of persons 55
3 years of age or older. A limited liability company may
4 qualify for the exemption under this paragraph only if the
5 limited liability company is organized and operated
6 exclusively for educational purposes. On and after July 1,
7 1987, however, no entity otherwise eligible for this
8 exemption shall make tax-free purchases unless it has an
9 active identification number issued by the Department.

10 (12) (Blank).

11 (12-5) On and after July 1, 2003 and through June 30,
12 2004, motor vehicles of the second division with a gross
13 vehicle weight in excess of 8,000 pounds that are subject
14 to the commercial distribution fee imposed under Section
15 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
16 2004 and through June 30, 2005, the use in this State of
17 motor vehicles of the second division: (i) with a gross
18 vehicle weight rating in excess of 8,000 pounds; (ii) that
19 are subject to the commercial distribution fee imposed
20 under Section 3-815.1 of the Illinois Vehicle Code; and
21 (iii) that are primarily used for commercial purposes.
22 Through June 30, 2005, this exemption applies to repair

23 and replacement parts added after the initial purchase of
24 such a motor vehicle if that motor vehicle is used in a
25 manner that would qualify for the rolling stock exemption
26 otherwise provided for in this Act. For purposes of this

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1 paragraph, "used for commercial purposes" means the
2 transportation of persons or property in furtherance of
3 any commercial or industrial enterprise whether for-hire
4 or not.

5 (13) Proceeds from sales to owners or lessors,
6 lessees, or shippers of tangible personal property that is
7 utilized by interstate carriers for hire for use as
8 rolling stock moving in interstate commerce and equipment
9 operated by a telecommunications provider, licensed as a
10 common carrier by the Federal Communications Commission,
11 which is permanently installed in or affixed to aircraft
12 moving in interstate commerce.

13 (14) Machinery and equipment that will be used by the
14 purchaser, or a lessee of the purchaser, primarily in the
15 process of manufacturing or assembling tangible personal
16 property for wholesale or retail sale or lease, whether
17 the sale or lease is made directly by the manufacturer or
18 by some other person, whether the materials used in the
19 process are owned by the manufacturer or some other
20 person, or whether the sale or lease is made apart from or
21 as an incident to the seller's engaging in the service
22 occupation of producing machines, tools, dies, jigs,
23 patterns, gauges, or other similar items of no commercial
24 value on special order for a particular purchaser. The
25 exemption provided by this paragraph (14) does not include
26 machinery and equipment used in (i) the generation of

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1 electricity for wholesale or retail sale; (ii) the
2 generation or treatment of natural or artificial gas for

3 wholesale or retail sale that is delivered to customers
4 through pipes, pipelines, or mains; or (iii) the treatment
5 of water for wholesale or retail sale that is delivered to
6 customers through pipes, pipelines, or mains. The
7 provisions of Public Act 98-583 are declaratory of
8 existing law as to the meaning and scope of this
9 exemption. Beginning on July 1, 2017, the exemption
10 provided by this paragraph (14) includes, but is not
11 limited to, graphic arts machinery and equipment, as
12 defined in paragraph (4) of this Section.

13 (15) Proceeds of mandatory service charges separately
14 stated on customers' bills for purchase and consumption of
15 food and beverages, to the extent that the proceeds of the
16 service charge are in fact turned over as tips or as a
17 substitute for tips to the employees who participate
18 directly in preparing, serving, hosting or cleaning up the
19 food or beverage function with respect to which the
20 service charge is imposed.

21 (16) Tangible personal property sold to a purchaser if
22 the purchaser is exempt from use tax by operation of
23 federal law. This paragraph is exempt from the provisions
24 of Section 2-70.

25 (17) Tangible personal property sold to a common
26 carrier by rail or motor that receives the physical

1 possession of the property in Illinois and that transports
2 the property, or shares with another common carrier in the
3 transportation of the property, out of Illinois on a
4 standard uniform bill of lading showing the seller of the
5 property as the shipper or consignor of the property to a
6 destination outside Illinois, for use outside Illinois.

7 (18) Legal tender, currency, medallions, or gold or
8 silver coinage issued by the State of Illinois, the
9 government of the United States of America, or the
10 government of any foreign country, and bullion.

11 (19) Until July 1, 2003, oil field exploration,
12 drilling, and production equipment, including (i) rigs and
13 parts of rigs, rotary rigs, cable tool rigs, and workover
14 rigs, (ii) pipe and tubular goods, including casing and

15 drill strings, (iii) pumps and pump-jack units, (iv)
16 storage tanks and flow lines, (v) any individual
17 replacement part for oil field exploration, drilling, and
18 production equipment, and (vi) machinery and equipment
19 purchased for lease; but excluding motor vehicles required
20 to be registered under the Illinois Vehicle Code.

21 (20) Photoprocessing machinery and equipment,
22 including repair and replacement parts, both new and used,
23 including that manufactured on special order, certified by
24 the purchaser to be used primarily for photoprocessing,
25 and including photoprocessing machinery and equipment
26 purchased for lease.

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1 (21) Until July 1, 2028, coal and aggregate
2 exploration, mining, off-highway hauling, processing,
3 maintenance, and reclamation equipment, including
4 replacement parts and equipment, and including equipment
5 purchased for lease, but excluding motor vehicles required
6 to be registered under the Illinois Vehicle Code. The
7 changes made to this Section by Public Act 97-767 apply on
8 and after July 1, 2003, but no claim for credit or refund
9 is allowed on or after August 16, 2013 (the effective date
10 of Public Act 98-456) for such taxes paid during the
11 period beginning July 1, 2003 and ending on August 16,
12 2013 (the effective date of Public Act 98-456).

13 (22) Until June 30, 2013, fuel and petroleum products
14 sold to or used by an air carrier, certified by the carrier
15 to be used for consumption, shipment, or storage in the
16 conduct of its business as an air common carrier, for a
17 flight destined for or returning from a location or
18 locations outside the United States without regard to
19 previous or subsequent domestic stopovers.

20 Beginning July 1, 2013, fuel and petroleum products
21 sold to or used by an air carrier, certified by the carrier
22 to be used for consumption, shipment, or storage in the
23 conduct of its business as an air common carrier, for a
24 flight that (i) is engaged in foreign trade or is engaged
25 in trade between the United States and any of its
26 possessions and (ii) transports at least one individual or

1 package for hire from the city of origination to the city
2 of final destination on the same aircraft, without regard
3 to a change in the flight number of that aircraft.

4 (23) A transaction in which the purchase order is
5 received by a florist who is located outside Illinois, but
6 who has a florist located in Illinois deliver the property
7 to the purchaser or the purchaser's donee in Illinois.

8 (24) Fuel consumed or used in the operation of ships,
9 barges, or vessels that are used primarily in or for the
10 transportation of property or the conveyance of persons
11 for hire on rivers bordering on this State if the fuel is
12 delivered by the seller to the purchaser's barge, ship, or
13 vessel while it is afloat upon that bordering river.

14 (25) Except as provided in items (25-5) and (25-6) of
15 this Section, a motor vehicle sold in this State to a
16 nonresident even though the motor vehicle is delivered to
17 the nonresident in this State, if the motor vehicle is not
18 to be titled in this State, and if a drive-away permit is
19 issued to the motor vehicle as provided in Section 3-603
20 of the Illinois Vehicle Code or if the nonresident
21 purchaser has vehicle registration plates to transfer to
22 the motor vehicle upon returning to his or her home state.
23 The issuance of the drive-away permit or having the
24 out-of-state registration plates to be transferred is
25 prima facie evidence that the motor vehicle will not be
26 titled in this State.

1 (25-5) The exemption under item (25) does not apply if
2 the state in which the motor vehicle will be titled does
3 not allow a reciprocal exemption for a motor vehicle sold
4 and delivered in that state to an Illinois resident but
5 titled in Illinois. The tax collected under this Act on
6 the sale of a motor vehicle in this State to a resident of

7 another state that does not allow a reciprocal exemption
8 shall be imposed at a rate equal to the state's rate of tax
9 on taxable property in the state in which the purchaser is
10 a resident, except that the tax shall not exceed the tax
11 that would otherwise be imposed under this Act. At the
12 time of the sale, the purchaser shall execute a statement,
13 signed under penalty of perjury, of his or her intent to
14 title the vehicle in the state in which the purchaser is a
15 resident within 30 days after the sale and of the fact of
16 the payment to the State of Illinois of tax in an amount
17 equivalent to the state's rate of tax on taxable property
18 in his or her state of residence and shall submit the
19 statement to the appropriate tax collection agency in his
20 or her state of residence. In addition, the retailer must
21 retain a signed copy of the statement in his or her
22 records. Nothing in this item shall be construed to
23 require the removal of the vehicle from this state
24 following the filing of an intent to title the vehicle in
25 the purchaser's state of residence if the purchaser titles
26 the vehicle in his or her state of residence within 30 days

1 after the date of sale. The tax collected under this Act in
2 accordance with this item (25-5) shall be proportionately
3 distributed as if the tax were collected at the 6.25%
4 general rate imposed under this Act.

5 (25-6) There is a rebuttable presumption that the
6 exemption under item (25) does not apply if the purchaser
7 is a limited liability company and a member of the limited
8 liability company is a resident of Illinois. This
9 presumption may be rebutted by other evidence, such as
10 evidence the motor vehicle is insured at a garaging or
11 storage address outside Illinois or other evidence of the
12 physical address at which the motor vehicle will be
13 permanently stored or garaged outside Illinois.

14 (25-7) Beginning on July 1, 2007, no tax is imposed
15 under this Act on the sale of an aircraft, as defined in
16 Section 3 of the Illinois Aeronautics Act, if all of the
17 following conditions are met:

18 (1) the aircraft leaves this State within 15 days

19 after the later of either the issuance of the final
20 billing for the sale of the aircraft, or the
21 authorized approval for return to service, completion
22 of the maintenance record entry, and completion of the
23 test flight and ground test for inspection, as
24 required by 14 CFR 91.407;

25 (2) the aircraft is not based or registered in
26 this State after the sale of the aircraft; and

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1 (3) the seller retains in his or her books and
2 records and provides to the Department a signed and
3 dated certification from the purchaser, on a form
4 prescribed by the Department, certifying that the
5 requirements of this item (25-7) are met. The
6 certificate must also include the name and address of
7 the purchaser, the address of the location where the
8 aircraft is to be titled or registered, the address of
9 the primary physical location of the aircraft, and
10 other information that the Department may reasonably
11 require.

12 For purposes of this item (25-7):

13 "Based in this State" means hangared, stored, or
14 otherwise used, excluding post-sale customizations as
15 defined in this Section, for 10 or more days in each
16 12-month period immediately following the date of the sale
17 of the aircraft.

18 "Registered in this State" means an aircraft
19 registered with the Department of Transportation,
20 Aeronautics Division, or titled or registered with the
21 Federal Aviation Administration to an address located in
22 this State.

23 This paragraph (25-7) is exempt from the provisions of
24 Section 2-70.

25 (26) Semen used for artificial insemination of
26 livestock for direct agricultural production.

1 (27) Horses, or interests in horses, registered with
2 and meeting the requirements of any of the Arabian Horse
3 Club Registry of America, Appaloosa Horse Club, American
4 Quarter Horse Association, United States Trotting
5 Association, or Jockey Club, as appropriate, used for
6 purposes of breeding or racing for prizes. This item (27)
7 is exempt from the provisions of Section 2-70, and the
8 exemption provided for under this item (27) applies for
9 all periods beginning May 30, 1995, but no claim for
10 credit or refund is allowed on or after January 1, 2008
11 (the effective date of Public Act 95-88) for such taxes
12 paid during the period beginning May 30, 2000 and ending
13 on January 1, 2008 (the effective date of Public Act
14 95-88).

15 (28) Computers and communications equipment utilized
16 for any hospital purpose and equipment used in the
17 diagnosis, analysis, or treatment of hospital patients
18 sold to a lessor who leases the equipment, under a lease of
19 one year or longer executed or in effect at the time of the
20 purchase, to a hospital that has been issued an active tax
21 exemption identification number by the Department under
22 Section 1g of this Act.

23 (29) Personal property sold to a lessor who leases the
24 property, under a lease of one year or longer executed or
25 in effect at the time of the purchase, to a governmental
26 body that has been issued an active tax exemption

1 identification number by the Department under Section 1g
2 of this Act.

3 (30) Beginning with taxable years ending on or after
4 December 31, 1995 and ending with taxable years ending on
5 or before December 31, 2004, personal property that is
6 donated for disaster relief to be used in a State or
7 federally declared disaster area in Illinois or bordering
8 Illinois by a manufacturer or retailer that is registered
9 in this State to a corporation, society, association,
10 foundation, or institution that has been issued a sales

11 tax exemption identification number by the Department that
12 assists victims of the disaster who reside within the
13 declared disaster area.

14 (31) Beginning with taxable years ending on or after
15 December 31, 1995 and ending with taxable years ending on
16 or before December 31, 2004, personal property that is
17 used in the performance of infrastructure repairs in this
18 State, including, but not limited to, municipal roads and
19 streets, access roads, bridges, sidewalks, waste disposal
20 systems, water and sewer line extensions, water
21 distribution and purification facilities, storm water
22 drainage and retention facilities, and sewage treatment
23 facilities, resulting from a State or federally declared
24 disaster in Illinois or bordering Illinois when such
25 repairs are initiated on facilities located in the
26 declared disaster area within 6 months after the disaster.

1 (32) Beginning July 1, 1999, game or game birds sold
2 at a "game breeding and hunting preserve area" as that
3 term is used in the Wildlife Code. This paragraph is
4 exempt from the provisions of Section 2-70.

5 (33) A motor vehicle, as that term is defined in
6 Section 1-146 of the Illinois Vehicle Code, that is
7 donated to a corporation, limited liability company,
8 society, association, foundation, or institution that is
9 determined by the Department to be organized and operated
10 exclusively for educational purposes. For purposes of this
11 exemption, "a corporation, limited liability company,
12 society, association, foundation, or institution organized
13 and operated exclusively for educational purposes" means
14 all tax-supported public schools, private schools that
15 offer systematic instruction in useful branches of
16 learning by methods common to public schools and that
17 compare favorably in their scope and intensity with the
18 course of study presented in tax-supported schools, and
19 vocational or technical schools or institutes organized
20 and operated exclusively to provide a course of study of
21 not less than 6 weeks duration and designed to prepare
22 individuals to follow a trade or to pursue a manual,

23 technical, mechanical, industrial, business, or commercial
24 occupation.

25 (34) Beginning January 1, 2000, personal property,
26 including food, purchased through fundraising events for

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1 the benefit of a public or private elementary or secondary
2 school, a group of those schools, or one or more school
3 districts if the events are sponsored by an entity
4 recognized by the school district that consists primarily
5 of volunteers and includes parents and teachers of the
6 school children. This paragraph does not apply to
7 fundraising events (i) for the benefit of private home
8 instruction or (ii) for which the fundraising entity
9 purchases the personal property sold at the events from
10 another individual or entity that sold the property for
11 the purpose of resale by the fundraising entity and that
12 profits from the sale to the fundraising entity. This
13 paragraph is exempt from the provisions of Section 2-70.

14 (35) Beginning January 1, 2000 and through December
15 31, 2001, new or used automatic vending machines that
16 prepare and serve hot food and beverages, including
17 coffee, soup, and other items, and replacement parts for
18 these machines. Beginning January 1, 2002 and through June
19 30, 2003, machines and parts for machines used in
20 commercial, coin-operated amusement and vending business
21 if a use or occupation tax is paid on the gross receipts
22 derived from the use of the commercial, coin-operated
23 amusement and vending machines. This paragraph is exempt
24 from the provisions of Section 2-70.

25 (35-5) Beginning August 23, 2001 and through June 30,
26 2016, food for human consumption that is to be consumed

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1 off the premises where it is sold (other than alcoholic
2 beverages, soft drinks, and food that has been prepared

3 for immediate consumption) and prescription and
4 nonprescription medicines, drugs, medical appliances, and
5 insulin, urine testing materials, syringes, and needles
6 used by diabetics, for human use, when purchased for use
7 by a person receiving medical assistance under Article V
8 of the Illinois Public Aid Code who resides in a licensed
9 long-term care facility, as defined in the Nursing Home
10 Care Act, or a licensed facility as defined in the ID/DD
11 Community Care Act, the MC/DD Act, or the Specialized
12 Mental Health Rehabilitation Act of 2013.

13 (36) Beginning August 2, 2001, computers and
14 communications equipment utilized for any hospital purpose
15 and equipment used in the diagnosis, analysis, or
16 treatment of hospital patients sold to a lessor who leases
17 the equipment, under a lease of one year or longer
18 executed or in effect at the time of the purchase, to a
19 hospital that has been issued an active tax exemption
20 identification number by the Department under Section 1g
21 of this Act. This paragraph is exempt from the provisions
22 of Section 2-70.

23 (37) Beginning August 2, 2001, personal property sold
24 to a lessor who leases the property, under a lease of one
25 year or longer executed or in effect at the time of the
26 purchase, to a governmental body that has been issued an

1 active tax exemption identification number by the
2 Department under Section 1g of this Act. This paragraph is
3 exempt from the provisions of Section 2-70.

4 (38) Beginning on January 1, 2002 and through June 30,
5 2016, tangible personal property purchased from an
6 Illinois retailer by a taxpayer engaged in centralized
7 purchasing activities in Illinois who will, upon receipt
8 of the property in Illinois, temporarily store the
9 property in Illinois (i) for the purpose of subsequently
10 transporting it outside this State for use or consumption
11 thereafter solely outside this State or (ii) for the
12 purpose of being processed, fabricated, or manufactured
13 into, attached to, or incorporated into other tangible
14 personal property to be transported outside this State and

15 thereafter used or consumed solely outside this State. The
16 Director of Revenue shall, pursuant to rules adopted in
17 accordance with the Illinois Administrative Procedure Act,
18 issue a permit to any taxpayer in good standing with the
19 Department who is eligible for the exemption under this
20 paragraph (38). The permit issued under this paragraph
21 (38) shall authorize the holder, to the extent and in the
22 manner specified in the rules adopted under this Act, to
23 purchase tangible personal property from a retailer exempt
24 from the taxes imposed by this Act. Taxpayers shall
25 maintain all necessary books and records to substantiate
26 the use and consumption of all such tangible personal

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1 property outside of the State of Illinois.

2 (39) Beginning January 1, 2008, tangible personal
3 property used in the construction or maintenance of a
4 community water supply, as defined under Section 3.145 of
5 the Environmental Protection Act, that is operated by a
6 not-for-profit corporation that holds a valid water supply
7 permit issued under Title IV of the Environmental
8 Protection Act. This paragraph is exempt from the
9 provisions of Section 2-70.

10 (40) Beginning January 1, 2010 and continuing through
11 December 31, 2029, materials, parts, equipment,
12 components, and furnishings incorporated into or upon an
13 aircraft as part of the modification, refurbishment,
14 completion, replacement, repair, or maintenance of the
15 aircraft. This exemption includes consumable supplies used
16 in the modification, refurbishment, completion,
17 replacement, repair, and maintenance of aircraft. However,
18 until January 1, 2024, this exemption excludes any
19 materials, parts, equipment, components, and consumable
20 supplies used in the modification, replacement, repair,
21 and maintenance of aircraft engines or power plants,
22 whether such engines or power plants are installed or
23 uninstalled upon any such aircraft. "Consumable supplies"
24 include, but are not limited to, adhesive, tape,
25 sandpaper, general purpose lubricants, cleaning solution,
26 latex gloves, and protective films.

1 Beginning January 1, 2010 and continuing through
2 December 31, 2023, this exemption applies only to the sale
3 of qualifying tangible personal property to persons who
4 modify, refurbish, complete, replace, or maintain an
5 aircraft and who (i) hold an Air Agency Certificate and
6 are empowered to operate an approved repair station by the
7 Federal Aviation Administration, (ii) have a Class IV
8 Rating, and (iii) conduct operations in accordance with
9 Part 145 of the Federal Aviation Regulations. The
10 exemption does not include aircraft operated by a
11 commercial air carrier providing scheduled passenger air
12 service pursuant to authority issued under Part 121 or
13 Part 129 of the Federal Aviation Regulations. From January
14 1, 2024 through December 31, 2029, this exemption applies
15 only to the sale of qualifying tangible personal property
16 to: (A) persons who modify, refurbish, complete, repair,
17 replace, or maintain aircraft and who (i) hold an Air
18 Agency Certificate and are empowered to operate an
19 approved repair station by the Federal Aviation
20 Administration, (ii) have a Class IV Rating, and (iii)
21 conduct operations in accordance with Part 145 of the
22 Federal Aviation Regulations; and (B) persons who engage
23 in the modification, replacement, repair, and maintenance
24 of aircraft engines or power plants without regard to
25 whether or not those persons meet the qualifications of
26 item (A).

1 The changes made to this paragraph (40) by Public Act
2 98-534 are declarative of existing law. It is the intent
3 of the General Assembly that the exemption under this
4 paragraph (40) applies continuously from January 1, 2010
5 through December 31, 2024; however, no claim for credit or
6 refund is allowed for taxes paid as a result of the

7 disallowance of this exemption on or after January 1, 2015
8 and prior to February 5, 2020 (the effective date of
9 Public Act 101-629).

10 (41) Tangible personal property sold to a
11 public-facilities corporation, as described in Section
12 11-65-10 of the Illinois Municipal Code, for purposes of
13 constructing or furnishing a municipal convention hall,
14 but only if the legal title to the municipal convention
15 hall is transferred to the municipality without any
16 further consideration by or on behalf of the municipality
17 at the time of the completion of the municipal convention
18 hall or upon the retirement or redemption of any bonds or
19 other debt instruments issued by the public-facilities
20 corporation in connection with the development of the
21 municipal convention hall. This exemption includes
22 existing public-facilities corporations as provided in
23 Section 11-65-25 of the Illinois Municipal Code. This
24 paragraph is exempt from the provisions of Section 2-70.

25 (42) Beginning January 1, 2017 and through December
26 31, 2026, menstrual pads, tampons, and menstrual cups.

1 (43) Merchandise that is subject to the Rental
2 Purchase Agreement Occupation and Use Tax. The purchaser
3 must certify that the item is purchased to be rented
4 subject to a rental-purchase agreement, as defined in the
5 Rental-Purchase Agreement Act, and provide proof of
6 registration under the Rental Purchase Agreement
7 Occupation and Use Tax Act. This paragraph is exempt from
8 the provisions of Section 2-70.

9 (44) Qualified tangible personal property used in the
10 construction or operation of a data center that has been
11 granted a certificate of exemption by the Department of
12 Commerce and Economic Opportunity, whether that tangible
13 personal property is purchased by the owner, operator, or
14 tenant of the data center or by a contractor or
15 subcontractor of the owner, operator, or tenant. Data
16 centers that would have qualified for a certificate of
17 exemption prior to January 1, 2020 had Public Act 101-31
18 been in effect, may apply for and obtain an exemption for

19 subsequent purchases of computer equipment or enabling
20 software purchased or leased to upgrade, supplement, or
21 replace computer equipment or enabling software purchased
22 or leased in the original investment that would have
23 qualified.

24 The Department of Commerce and Economic Opportunity
25 shall grant a certificate of exemption under this item
26 (44) to qualified data centers as defined by Section

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1 605-1025 of the Department of Commerce and Economic
2 Opportunity Law of the Civil Administrative Code of
3 Illinois.

4 For the purposes of this item (44):

5 "Data center" means a building or a series of
6 buildings rehabilitated or constructed to house
7 working servers in one physical location or multiple
8 sites within the State of Illinois.

9 "Qualified tangible personal property" means:
10 electrical systems and equipment; climate control and
11 chilling equipment and systems; mechanical systems and
12 equipment; monitoring and secure systems; emergency
13 generators; hardware; computers; servers; data storage
14 devices; network connectivity equipment; racks;
15 cabinets; telecommunications cabling infrastructure;
16 raised floor systems; peripheral components or
17 systems; software; mechanical, electrical, or plumbing
18 systems; battery systems; cooling systems and towers;
19 temperature control systems; other cabling; and other
20 data center infrastructure equipment and systems
21 necessary to operate qualified tangible personal
22 property, including fixtures; and component parts of
23 any of the foregoing, including installation,
24 maintenance, repair, refurbishment, and replacement of
25 qualified tangible personal property to generate,
26 transform, transmit, distribute, or manage electricity

1 necessary to operate qualified tangible personal
2 property; and all other tangible personal property
3 that is essential to the operations of a computer data
4 center. The term "qualified tangible personal
5 property" also includes building materials physically
6 incorporated into the qualifying data center. To
7 document the exemption allowed under this Section, the
8 retailer must obtain from the purchaser a copy of the
9 certificate of eligibility issued by the Department of
10 Commerce and Economic Opportunity.

11 This item (44) is exempt from the provisions of
12 Section 2-70.

13 (45) Beginning January 1, 2020 and through December
14 31, 2020, sales of tangible personal property made by a
15 marketplace seller over a marketplace for which tax is due
16 under this Act but for which use tax has been collected and
17 remitted to the Department by a marketplace facilitator
18 under Section 2d of the Use Tax Act are exempt from tax
19 under this Act. A marketplace seller claiming this
20 exemption shall maintain books and records demonstrating
21 that the use tax on such sales has been collected and
22 remitted by a marketplace facilitator. Marketplace sellers
23 that have properly remitted tax under this Act on such
24 sales may file a claim for credit as provided in Section 6
25 of this Act. No claim is allowed, however, for such taxes
26 for which a credit or refund has been issued to the

1 marketplace facilitator under the Use Tax Act, or for
2 which the marketplace facilitator has filed a claim for
3 credit or refund under the Use Tax Act.

4 (46) Beginning July 1, 2022, breast pumps, breast pump
5 collection and storage supplies, and breast pump kits.
6 This item (46) is exempt from the provisions of Section
7 2-70. As used in this item (46):

8 "Breast pump" means an electrically controlled or
9 manually controlled pump device designed or marketed to be
10 used to express milk from a human breast during lactation,

11 including the pump device and any battery, AC adapter, or
12 other power supply unit that is used to power the pump
13 device and is packaged and sold with the pump device at the
14 time of sale.

15 "Breast pump collection and storage supplies" means
16 items of tangible personal property designed or marketed
17 to be used in conjunction with a breast pump to collect
18 milk expressed from a human breast and to store collected
19 milk until it is ready for consumption.

20 "Breast pump collection and storage supplies"
21 includes, but is not limited to: breast shields and breast
22 shield connectors; breast pump tubes and tubing adapters;
23 breast pump valves and membranes; backflow protectors and
24 backflow protector adaptors; bottles and bottle caps
25 specific to the operation of the breast pump; and breast
26 milk storage bags.

1 "Breast pump collection and storage supplies" does not
2 include: (1) bottles and bottle caps not specific to the
3 operation of the breast pump; (2) breast pump travel bags
4 and other similar carrying accessories, including ice
5 packs, labels, and other similar products; (3) breast pump
6 cleaning supplies; (4) nursing bras, bra pads, breast
7 shells, and other similar products; and (5) creams,
8 ointments, and other similar products that relieve
9 breastfeeding-related symptoms or conditions of the
10 breasts or nipples, unless sold as part of a breast pump
11 kit that is pre-packaged by the breast pump manufacturer
12 or distributor.

13 "Breast pump kit" means a kit that: (1) contains no
14 more than a breast pump, breast pump collection and
15 storage supplies, a rechargeable battery for operating the
16 breast pump, a breastmilk cooler, bottle stands, ice
17 packs, and a breast pump carrying case; and (2) is
18 pre-packaged as a breast pump kit by the breast pump
19 manufacturer or distributor.

20 (47) Tangible personal property sold by or on behalf
21 of the State Treasurer pursuant to the Revised Uniform
22 Unclaimed Property Act. This item (47) is exempt from the

23 provisions of Section 2-70.
24 (48) Beginning on January 1, 2024, tangible personal
25 property purchased by an active duty member of the armed
26 forces of the United States who presents valid military

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1 identification and purchases the property using a form of
2 payment where the federal government is the payor. The
3 member of the armed forces must complete, at the point of
4 sale, a form prescribed by the Department of Revenue
5 documenting that the transaction is eligible for the
6 exemption under this paragraph. Retailers must keep the
7 form as documentation of the exemption in their records
8 for a period of not less than 6 years. "Armed forces of the
9 United States" means the United States Army, Navy, Air
10 Force, Space Force, Marine Corps, or Coast Guard. This
11 paragraph is exempt from the provisions of Section 2-70.

12 (49) Beginning July 1, 2024, home-delivered meals
13 provided to Medicare or Medicaid recipients when payment
14 is made by an intermediary, such as a Medicare
15 Administrative Contractor, a Managed Care Organization, or
16 a Medicare Advantage Organization, pursuant to a
17 government contract. This paragraph (49) is exempt from
18 the provisions of Section 2-70.

19 (50) Beginning on January 1, 2026, as further defined
20 in Section 2-10, food for human consumption that is to be
21 consumed off the premises where it is sold (other than
22 alcoholic liquor taxable under Section 8-1 of the Liquor
23 Control Act of 1934 beverages, food consisting of or
24 infused with adult use cannabis, soft drinks, candy, and
25 food that has been prepared for immediate consumption).
26 This item (50) is exempt from the provisions of Section

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1 2-70.

2 (51) Gross receipts from the lease of the following

3 tangible personal property:

4 (1) computer software transferred subject to a
5 license that meets the following requirements:

6 (A) it is evidenced by a written agreement
7 signed by the licensor and the customer;

8 (i) an electronic agreement in which the
9 customer accepts the license by means of an
10 electronic signature that is verifiable and
11 can be authenticated and is attached to or
12 made part of the license will comply with this
13 requirement;

14 (ii) a license agreement in which the
15 customer electronically accepts the terms by
16 clicking "I agree" does not comply with this
17 requirement;

18 (B) it restricts the customer's duplication
19 and use of the software;

20 (C) it prohibits the customer from licensing,
21 sublicensing, or transferring the software to a
22 third party (except to a related party) without
23 the permission and continued control of the
24 licensor;

25 (D) the licensor has a policy of providing
26 another copy at minimal or no charge if the

1 customer loses or damages the software, or of
2 permitting the licensee to make and keep an
3 archival copy, and such policy is either stated in
4 the license agreement, supported by the licensor's
5 books and records, or supported by a notarized
6 statement made under penalties of perjury by the
7 licensor; and

8 (E) the customer must destroy or return all
9 copies of the software to the licensor at the end
10 of the license period; this provision is deemed to
11 be met, in the case of a perpetual license,
12 without being set forth in the license agreement;
13 and

14 (2) property that is subject to a tax on lease

15 receipts imposed by a home rule unit of local
16 government if the ordinance imposing that tax was
17 adopted prior to January 1, 2023.
18 (Source: P.A. 103-9, Article 5, Section 5-20, eff. 6-7-23;
19 103-9, Article 15, Section 15-20, eff. 6-7-23; 103-154, eff.
20 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,
21 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;
22 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-6, eff.
23 6-16-25; 104-417, eff. 8-15-25.)
24 (35 ILCS 120/2-10) from Ch. 120, par. 441-10
25 Sec. 2-10. Rate of tax. Unless otherwise provided in this

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1 Section, the tax imposed by this Act is at the rate of 6.25% of
2 gross receipts from sales, which, on and after January 1,
3 2025, includes leases, of tangible personal property made in
4 the course of business.

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, and
10 beginning again on August 5, 2022 through August 14, 2022,
11 with respect to sales tax holiday items as defined in Section
12 2-8 of this Act, the tax is imposed at the rate of 1.25%.

13 Within 14 days after July 1, 2000 (the effective date of
14 Public Act 91-872), each retailer of motor fuel and gasohol
15 shall cause the following notice to be posted in a prominently
16 visible place on each retail dispensing device that is used to
17 dispense motor fuel or gasohol in the State of Illinois: "As of
18 July 1, 2000, the State of Illinois has eliminated the State's
19 share of sales tax on motor fuel and gasohol through December
20 31, 2000. The price on this pump should reflect the
21 elimination of the tax." The notice shall be printed in bold
22 print on a sign that is no smaller than 4 inches by 8 inches.
23 The sign shall be clearly visible to customers. Any retailer
24 who fails to post or maintain a required sign through December
25 31, 2000 is guilty of a petty offense for which the fine shall
26 be \$500 per day per each retail premises where a violation

1 occurs.

2 With respect to gasohol, as defined in the Use Tax Act, the
3 tax imposed by this Act applies to (i) 70% of the proceeds of
4 sales made on or after January 1, 1990, and before July 1,
5 2003, (ii) 80% of the proceeds of sales made on or after July
6 1, 2003 and on or before July 1, 2017, (iii) 100% of the
7 proceeds of sales made after July 1, 2017 and prior to January
8 1, 2024, (iv) 90% of the proceeds of sales made on or after
9 January 1, 2024 and on or before December 31, 2028, and (v)
10 100% of the proceeds of sales made after December 31, 2028. If,
11 at any time, however, the tax under this Act on sales of
12 gasohol, as defined in the Use Tax Act, is imposed at the rate
13 of 1.25%, then the tax imposed by this Act applies to 100% of
14 the proceeds of sales of gasohol made during that time.

15 With respect to mid-range ethanol blends, as defined in
16 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
17 applies to (i) 80% of the proceeds of sales made on or after
18 January 1, 2024 and on or before December 31, 2028 and (ii)
19 100% of the proceeds of sales made after December 31, 2028. If,
20 at any time, however, the tax under this Act on sales of
21 mid-range ethanol blends is imposed at the rate of 1.25%, then
22 the tax imposed by this Act applies to 100% of the proceeds of
23 sales of mid-range ethanol blends made during that time.

24 With respect to majority blended ethanol fuel, as defined
25 in the Use Tax Act, the tax imposed by this Act does not apply
26 to the proceeds of sales made on or after July 1, 2003 and on

1 or before December 31, 2028 but applies to 100% of the proceeds
2 of sales made thereafter.

3 With respect to biodiesel blends, as defined in the Use
4 Tax Act, with no less than 1% and no more than 10% biodiesel,
5 the tax imposed by this Act applies to (i) 80% of the proceeds
6 of sales made on or after July 1, 2003 and on or before

7 December 31, 2018 and (ii) 100% of the proceeds of sales made
8 after December 31, 2018 and before January 1, 2024. On and
9 after January 1, 2024 and on or before December 31, 2030, the
10 taxation of biodiesel, renewable diesel, and biodiesel blends
11 shall be as provided in Section 3-5.1 of the Use Tax Act. 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 biodiesel, as defined in the Use Tax Act,
19 and biodiesel blends, as defined in the Use Tax Act, with more
20 than 10% but no more than 99% biodiesel, the tax imposed by
21 this Act does not apply to the proceeds of sales made on or
22 after July 1, 2003 and on or before December 31, 2023. On and
23 after January 1, 2024 and on or before December 31, 2030, the
24 taxation of biodiesel, renewable diesel, and biodiesel blends
25 shall be as provided in Section 3-5.1 of the Use Tax Act.

26 Until July 1, 2022 and from July 1, 2023 through December

1 31, 2025, with respect to food for human consumption that is to
2 be consumed off the premises where it is sold (other than
3 alcoholic beverages, food consisting of or infused with adult
4 use cannabis, soft drinks, and food that has been prepared for
5 immediate consumption), the tax is imposed at the rate of 1%.
6 Beginning July 1, 2022 and until July 1, 2023, with respect to
7 food for human consumption that is to be consumed off the
8 premises where it is sold (other than alcoholic beverages,
9 food consisting of or infused with adult use cannabis, soft
10 drinks, and food that has been prepared for immediate
11 consumption), the tax is imposed at the rate of 0%. On and
12 after January 1, 2026, food for human consumption that is to be
13 consumed off the premises where it is sold (other than
14 alcoholic liquor taxable under Section 8-1 of the Liquor
15 Control Act of 1934 ~~beverages~~, food consisting of or infused
16 with adult use cannabis, soft drinks, candy, and food that has
17 been prepared for immediate consumption) is exempt from the
18 tax imposed by this Act.

19 With respect to prescription and nonprescription
20 medicines, drugs, medical appliances, products classified as
21 Class III medical devices by the United States Food and Drug
22 Administration that are used for cancer treatment pursuant to
23 a prescription, as well as any accessories and components
24 related to those devices, modifications to a motor vehicle for
25 the purpose of rendering it usable by a person with a
26 disability, and insulin, blood sugar testing materials,

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

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

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

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

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

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

1 label includes:

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

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

11 As used in this Section, "adult use cannabis" means
12 cannabis subject to tax under the Cannabis Cultivation
13 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
14 and does not include cannabis subject to tax under the
15 Compassionate Use of Medical Cannabis Program Act.
16 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
17 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff.
18 8-15-25.)

19 (35 ILCS 120/2-13)

20 Sec. 2-13. Remote Retailer Amnesty Program.

21 (a) As used in this Section:

22 "Eligibility period" means the period from January 1, 2021
23 through June 30, 2026.

24 "Eligible transaction" means the sale of tangible personal
25 property by a remote retailer to an Illinois customer that

1 occurs during the eligibility period and that requires the
2 remote retailer to ship or otherwise deliver the tangible
3 personal property to an address in the State.

4 "Local retailers' occupation tax" means a retailers'
5 occupation tax imposed by a municipality, county, or other
6 unit of local government and administered by the Department.

7 "Program" means the Remote Retailer Amnesty Program
8 established under this Section.

9 "Remote retailer" means a remote retailer, as defined in
10 Section 1 of this Act, who has met a tax remittance threshold
11 under subsection (b) of Section 2 of this Act for all or part
12 of the eligibility period and who is participating in the
13 Program established under this Section.

14 "Remote retailer amnesty period" means the period from
15 August 1, 2026 through October 31, 2026, during which the
16 Department will accept returns and payment of State and local
17 retailers' occupation taxes at the simplified retailers'
18 occupation tax rate for eligible transactions that occur
19 during the eligibility period.

20 "Simplified retailers' occupation tax rate" means the
21 combined State and average local retailers' occupation tax
22 rate imposed on remote retailers participating in the Program.

23 The simplified retailers' occupation tax rate shall be (i) 9%
24 of the gross receipts from sales of tangible personal property
25 that are subject to the 6.25% State rate of tax imposed by
26 Section 2-10 of this Act or (ii) 1.75% of the gross receipts

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1 from sales of (A) tangible personal property that is subject
2 to the 1% State rate of tax imposed by Section 2-10 of this Act
3 and (B) food for human consumption that is to be consumed off
4 the premises where it is sold (other than alcoholic liquor
5 taxable under Section 8-1 of the Liquor Control Act of 1934
6 ~~beverages~~, food consisting of or infused with adult use
7 cannabis, soft drinks, and food that has been prepared for
8 immediate consumption), regardless of the applicable rate of
9 tax.

10 "Taxing jurisdiction" means a municipality, county, or
11 other unit of local government that imposes a local retailers'
12 occupation tax.

13 (b) The Department shall establish a Remote Retailer
14 Amnesty Program for remote retailers that owe State or local
15 retailers' occupation taxes on eligible transactions. The
16 Program shall operate during the remote retailer amnesty
17 period.

18 The Program shall allow a remote retailer who participates
19 in the Program to report and remit, at the simplified
20 retailers' occupation tax rate, State and local retailers'
21 occupation taxes that are due in connection with eligible
22 transactions. The payment shall be made by the remote retailer
23 during the remote retailer amnesty period and shall be in lieu
24 of reporting and remitting State and local retailers'
25 occupation taxes at the rate otherwise provided by law. The
26 payment of the tax at the simplified retailers' occupation tax

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1 rate relieves the remote retailer of any additional State or
2 local retailers' occupation taxes with respect to the eligible

3 transaction.

4 The Program shall provide that, if the remote retailer
5 satisfies its State and local retailers' occupation tax
6 liability during the remote retailer amnesty period by
7 reporting and remitting payment to the Department at the
8 simplified retailers' occupation tax rate, the Department
9 shall abate and not seek to collect any interest or penalties
10 that may be applicable with respect to those eligible
11 transactions, and the Department shall not seek civil or
12 criminal prosecution of the remote retailer for the period of
13 time for which amnesty has been granted to the retailer. The
14 remote retailer must make full payment of all State and local
15 retailers' occupation taxes due with respect to the remote
16 retailer's eligible transactions, using the simplified
17 retailers' occupation tax rate, during the remote retailer
18 amnesty period for amnesty to be granted, unless the remote
19 retailer enters into an approved repayment plan with the
20 Department during the remote retailer amnesty period. In that
21 case, amnesty shall be granted upon successful completion of
22 the repayment plan as long as the taxpayer remains in
23 compliance with the terms of the payment plan throughout its
24 duration. Failure to pay all taxes due using the simplified
25 retailers' occupation tax rate for the eligible period, unless
26 tax has previously been remitted using the applicable State

1 and local retailers' occupation tax rates, shall invalidate
2 any amnesty granted under this Act, and all retailers'
3 occupation tax due for the eligible period shall be due at the
4 applicable State and local rate for the particular selling
5 location.

6 (c) Amnesty shall be granted only if all amnesty
7 conditions are satisfied by the taxpayer. The amnesty provided
8 by this Section shall be granted to any remote retailer who,
9 during the remote retailer amnesty period, files all returns
10 and remits all State and local retailers' occupation tax on
11 all eligible transactions using the simplified retailers'
12 occupation tax rate or otherwise applicable State and local
13 retailers' occupation tax rates due for all of the remote
14 retailer's eligible transactions. In addition, the following

15 requirements apply to the Program:

16 (1) to participate in the Program, the remote
17 retailers must be registered with the Department as set
18 out in Section 2a of this Act;

19 (2) returns filed under the Program shall be filed
20 electronically in the manner prescribed by the Department
21 in Section 3 of this Act and shall be filed only during the
22 remote retailer amnesty period;

23 (3) the remote retailer shall remit the tax at the
24 simplified retailers' occupation tax rate or, if the tax
25 was collected, in the amount of the tax collected,
26 whichever is greater; the required reporting for each

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1 return period from the remote retailer shall include only
2 statewide totals of the retailers' occupation taxes
3 remitted at the simplified retailers' occupation tax rate
4 and shall not require information related to the location
5 of purchasers or amount of sales into a specific taxing
6 jurisdiction;

7 (4) amnesty is not available for any retailers'
8 occupation tax remitted to the Department prior to the
9 remote retailer amnesty program period by the remote
10 retailer;

11 (5) amnesty shall not be granted to taxpayers who are
12 a party to any criminal investigation or to any civil or
13 criminal litigation that is pending in any circuit court,
14 any appellate court, or the Supreme Court of this State
15 for nonpayment, delinquency, or fraud in relation to any
16 State tax imposed by any law of the State of Illinois;

17 (6) amnesty shall not be granted to taxpayers who
18 commit fraud or intentional misrepresentation of a
19 material fact in any document filed under the Remote
20 Retailer Amnesty Program; and

21 (7) amnesty is applicable only to retailers'
22 occupation taxes due from the remote retailer in his or
23 her capacity as a remote retailer and not to any other
24 taxes that may be owed by the remote retailer pursuant to
25 another tax Act.

26 (d) Except as otherwise provided in paragraph (3) of

1 subsection (c), no remote retailer shall be required to remit
2 the tax at a rate greater than 9% or 1.75%, as applicable,
3 regardless of the combined actual tax rates that may otherwise
4 be applicable. Additionally, no gross receipts for which State
5 and local retailers' occupation tax is remitted at the
6 simplified retailers' occupation tax rate shall be subject to
7 any additional retailers' occupation tax from any taxing
8 jurisdiction imposing a retailers' occupation tax with respect
9 to the sale of the property, regardless of the actual tax rate
10 that might have otherwise been applicable.

11 (e) The remote retailer shall remit the State and local
12 retailers' occupation tax at the simplified rate on all gross
13 receipts from sales of tangible personal property into
14 Illinois unless the remote retailer can produce a valid
15 exemption number or certificate, resale certificate, or direct
16 pay permit issued by the Department. The remote retailer shall
17 retain all exemption numbers or certificates, resale
18 certificates, or direct pay permits in its books and records,
19 or in such other manner as directed by the Department.

20 (f) Remote retailers shall maintain records of all
21 eligible transactions, including copies of invoices showing
22 the purchaser, the purchase amount, the taxes collected, and
23 the retailers' occupation tax remitted. Records must be kept
24 documenting all tangible personal property sold for which the
25 1.75% simplified retailers' occupation tax rate is used to
26 verify that the tangible personal property qualifies for the

1 1% State tax rate imposed under Section 2-10 of this Act. Those
2 records shall be made available for review and inspection upon
3 request by the Department. Remote retailers participating in
4 the Program remain subject to audit by the Department as
5 provided in this Act. Remote retailers participating in the
6 Program shall not be subject to audit or review by any unit of

7 local government under the Local Government Revenue Recapture
8 Act.

9 (g) The net revenue realized at the 9% rate under this
10 Section shall be deposited as follows: (i) notwithstanding the
11 provisions of Section 3 of the Retailer's Occupation Tax Act
12 to the contrary, the net revenue realized from the portion of
13 the rate in excess of 5% shall be deposited into the State and
14 Local Sales Tax Reform Fund and (ii) the net revenue realized
15 from the 5% portion of the rate shall be deposited as provided
16 in this Section 3 of the Retailers' Occupation Tax Act for the
17 5% portion of the 6.25% general rate imposed under this Act.
18 The net revenue realized at the 1.75% rate under this Section
19 shall be deposited into the State and Local Sales Tax Reform
20 Fund.

21 (h) The Department may adopt rules related to the
22 implementation, administration, and participation in the
23 Program. The Department shall have exclusive responsibility
24 for reviewing and accepting applications for participation and
25 for the administration, return processing, and review of the
26 eligibility of remote retailers participating in the Program.

1 (Source: P.A. 104-6, eff. 6-16-25.)

2 Section 70-45. The Tobacco Products Tax Act of 1995 is
3 amended by changing Section 10-45 as follows:

4 (35 ILCS 143/10-45)

5 Sec. 10-45. Incorporation by reference. All of the
6 provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h,~~
7 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11, 11a, and 12 of the
8 Retailers' Occupation Tax Act, and all applicable provisions
9 of the Uniform Penalty and Interest Act that are not
10 inconsistent with this Act, apply to distributors of tobacco
11 products to the same extent as if those provisions were
12 included in this Act. References in the incorporated Sections
13 of the Retailers' Occupation Tax Act to retailers, to sellers,
14 or to persons engaged in the business of selling tangible
15 personal property mean distributors when used in this Act.
16 References in the incorporated Sections to sales of tangible

17 personal property mean sales of tobacco products when used in
18 this Act.

19 All of the provisions of Sections 7, 8, 8a, 16, 18a, 18b,
20 18c, 22, 23, 24, 26, 27, and 28a of the Cigarette Tax Act which
21 are not inconsistent with this Act shall apply, as far as
22 practicable, to the subject matter of this Act to the same
23 extent as if those provisions were included in this Act.
24 References in the incorporated Sections to sales of cigarettes

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1 mean sales of little cigars in packages of 20 or 25 little
2 cigars.

3 (Source: P.A. 98-273, eff. 8-9-13.)

4 Section 70-50. The Hotel Operators' Occupation Tax Act is
5 amended by changing Section 3 as follows:

6 (35 ILCS 145/3) (from Ch. 120, par. 481b.33)

7 Sec. 3. Rate; exemptions.

8 (a) A tax is imposed upon hotel operators at the rate of 5%
9 of 94% of the gross rental receipts from engaging in business
10 as a hotel operator, excluding, however, from gross rental
11 receipts, the proceeds of renting, leasing or letting hotel
12 rooms to permanent residents of a hotel and proceeds from the
13 tax imposed under subsection (c) of Section 13 of the
14 Metropolitan Pier and Exposition Authority Act.

15 (b) There shall be imposed an additional tax upon hotel
16 operators at the rate of 1% of 94% of the gross rental receipts
17 received by the hotel operator from engaging in business as a
18 hotel operator, excluding, however, from gross rental
19 receipts, the proceeds of such renting, leasing or letting to
20 permanent residents of that hotel and proceeds from the tax
21 imposed under subsection (c) of Section 13 of the Metropolitan
22 Pier and Exposition Authority Act.

23 (b-5) Beginning on July 1, 2024 and through June 30, 2026,
24 if the renting, leasing, or letting of a hotel room is done

1 through a re-renter of hotel rooms, then, subject to the
2 provisions of Sections 3-2 and 3-3, the re-renter is the hotel
3 operator for the purposes of the taxes under subsections (a)
4 and (b). If the re-renter is headquartered outside of this
5 State and has no presence in this State other than its business
6 as a re-renter, conducted remotely, then, subject to the
7 provisions of Sections 3-2 and 3-3, such re-renter is the
8 hotel operator for the purposes of the taxes under subsections
9 (a) and (b) if it meets one of the following thresholds:

10 (1) the cumulative gross receipts from rentals in
11 Illinois by the re-renter of hotel rooms are \$100,000 or
12 more; or

13 (2) the re-renter of hotel rooms cumulatively enters
14 into 200 or more separate transactions for rentals in
15 Illinois.

16 A re-renter of hotel rooms who is headquartered outside of
17 this State and has no presence in this State other than its
18 business as a re-renter, conducted remotely, shall determine
19 on a quarterly basis, ending on the last day of March, June,
20 September, and December, whether he or she meets the threshold
21 of either paragraph (1) or (2) of this subsection (b-5) for the
22 preceding 12-month period. If such re-renter of hotel rooms
23 meets the threshold of either paragraph (1) or (2) for a
24 12-month period, he or she is subject to tax under this Act and
25 is required to remit the tax imposed under this Act and file
26 returns for the 12-month period beginning on the first day of

1 the next month after he or she determines that he or she meets
2 the threshold of paragraph (1) or (2). At the end of that
3 12-month period, such re-renter of hotel rooms shall determine
4 whether he or she continued to meet the threshold of either
5 paragraph (1) or (2) during the preceding 12-month period. If
6 he or she met the threshold in either paragraph (1) or (2) for
7 the preceding 12-month period, he or she is a hotel operator in
8 this State and is required to remit the tax imposed under this
9 Act and file returns for the subsequent 12-month period. If,
10 at the end of a 12-month period during which such re-renter is

11 required to remit the tax imposed under this Act, the
12 re-renter determines that he or she did not meet the threshold
13 in either paragraph (1) or (2) during the preceding 12-month
14 period, he or she shall subsequently determine on a quarterly
15 basis, ending on the last day of March, June, September, and
16 December, whether he or she meets the threshold of either
17 paragraph (1) or (2) for the preceding 12-month period.

18 (b-40) Beginning on July 1, 2026, if the re-renter is
19 headquartered outside of this State and has no presence in
20 this State other than its business as a re-renter, conducted
21 remotely, then, subject to the provisions of Sections 3-2 and
22 3-3, that re-renter is the hotel operator for the purposes of
23 the taxes under subsections (a) and (b) if the cumulative
24 gross receipts from rentals in Illinois by the re-renter of
25 hotel rooms are \$100,000 or more.

26 A re-renter of hotel rooms who is headquartered outside of

1 this State and has no presence in this State other than its
2 business as a re-renter, conducted remotely, shall determine
3 on a quarterly basis, ending on the last day of March, June,
4 September, and December, whether it meets the threshold of
5 this subsection for the preceding 12-month period. If the
6 re-renter of hotel rooms meets the threshold for a 12-month
7 period, it is subject to tax under this Act and is required to
8 remit the tax imposed under this Act and file returns for the
9 12-month period beginning on the first day of the next month
10 after it determines that it meets the threshold. At the end of
11 that 12-month period, the re-renter of hotel rooms shall
12 determine whether it continued to meet the threshold during
13 the preceding 12-month period. If the re-renter met the
14 threshold for the preceding 12-month period, it is a hotel
15 operator in this State and is required to remit the tax imposed
16 under this Act and file returns for the subsequent 12-month
17 period. If, at the end of a 12-month period during which such
18 re-renter is required to remit the tax imposed under this Act,
19 the re-renter determines that it did not meet the threshold
20 during the preceding 12-month period, it shall subsequently
21 determine on a quarterly basis, ending on the last day of
22 March, June, September, and December, whether it meets the

23 threshold for the preceding 12-month period.

24 (c) No funds received pursuant to this Act shall be used to
25 advertise for or otherwise promote new competition in the
26 hotel business.

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1 (d) However, such tax is not imposed upon the privilege of
2 engaging in any business in Interstate Commerce or otherwise,
3 which business may not, under the Constitution and Statutes of
4 the United States, be made the subject of taxation by this
5 State. In addition, the tax is not imposed upon gross rental
6 receipts for which the hotel operator is prohibited from
7 obtaining reimbursement for the tax from the customer by
8 reason of a federal treaty.

9 (d-5) On and after July 1, 2017, the tax imposed by this
10 Act shall not apply to gross rental receipts received by an
11 entity that is organized and operated exclusively for
12 religious purposes and possesses an active Exemption
13 Identification Number issued by the Department pursuant to the
14 Retailers' Occupation Tax Act when acting as a hotel operator
15 renting, leasing, or letting rooms:

16 (1) in furtherance of the purposes for which it is
17 organized; or

18 (2) to entities that (i) are organized and operated
19 exclusively for religious purposes, (ii) possess an active
20 Exemption Identification Number issued by the Department
21 pursuant to the Retailers' Occupation Tax Act, and (iii)
22 rent the rooms in furtherance of the purposes for which
23 they are organized.

24 No gross rental receipts are exempt under paragraph (2) of
25 this subsection (d-5) unless the hotel operator obtains the
26 active Exemption Identification Number from the exclusively

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1 religious entity to whom it is renting and maintains that
2 number in its books and records. Gross rental receipts from

3 all rentals other than those described in items (1) or (2) of
4 this subsection (d-5) are subject to the tax imposed by this
5 Act unless otherwise exempt under this Act.

6 This subsection (d-5) is exempt from the sunset provisions
7 of Section 3-5 of this Act.

8 (d-10) On and after July 1, 2023, the tax imposed by this
9 Act shall not apply to gross rental receipts received from the
10 renting, leasing, or letting of rooms to an entity that is
11 organized and operated exclusively by an organization
12 chartered by the United States Congress for the purpose of
13 providing disaster relief and that possesses an active
14 Exemption Identification Number issued by the Department
15 pursuant to the Retailers' Occupation Tax Act if the renting,
16 leasing, or letting of the rooms is in furtherance of the
17 purposes for which the exempt organization is organized. This
18 subsection (d-10) is exempt from the sunset provisions of
19 Section 3-5 of this Act.

20 (e) Persons subject to the tax imposed by this Act may
21 reimburse themselves for their tax liability under this Act by
22 separately stating such tax as an additional charge, which
23 charge may be stated in combination, in a single amount, with
24 any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the
25 Illinois Municipal Code, and Section 25.05-10 of "An Act to
26 revise the law in relation to counties".

1 (f) If any hotel operator collects an amount (however
2 designated) which purports to reimburse such operator for
3 hotel operators' occupation tax liability measured by receipts
4 which are not subject to hotel operators' occupation tax, or
5 if any hotel operator, in collecting an amount (however
6 designated) which purports to reimburse such operator for
7 hotel operators' occupation tax liability measured by receipts
8 which are subject to tax under this Act, collects more from the
9 guest or re-renter than the operators' hotel operators'
10 occupation tax liability in the transaction is, the guest or
11 re-renter, as applicable, shall have a legal right to claim a
12 refund of such amount from such operator. However, if such
13 amount is not refunded to the guest or re-renter, as
14 applicable, for any reason, the hotel operator is liable to

15 pay such amount to the Department.
16 (Source: P.A. 103-9, eff. 6-7-23; 103-592, eff. 7-1-24.)

17 Section 70-55. The Motor Fuel Tax Law is amended by
18 changing Section 21 as follows:

19 (35 ILCS 505/21) (from Ch. 120, par. 434a)
20 Sec. 21. The provisions of Sections 4, 5, 5a, 5b, 5c, 5d,
21 5e, 5f, 5g, ~~5h~~, 5i and 5j, 6, 6a, 6b, 6c (except to the extent
22 that the time limitations for requesting an administrative
23 hearing, the minimum notice requirement for hearings, and the
24 provisions regarding penalties and interest are inconsistent

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1 with this Act), 8, 9, 10 and 12 of the Retailers' Occupation
2 Tax Act which are not inconsistent with this Act, and Section
3 3-7 of the Uniform Penalty and Interest Act, shall apply as far
4 as practicable to the subject matter of this Act to the same
5 extent as if those provisions were included in this Act.
6 (Source: P.A. 87-205; 88-480.)

7 (35 ILCS 610/Act rep.)
8 Section 70-60. The Messages Tax Act is repealed.

9 Section 70-65. The Innovation Development and Economy Act
10 is amended by changing Section 31 as follows:

11 (50 ILCS 470/31)
12 Sec. 31. STAR bond occupation taxes.
13 (a) If the corporate authorities of a political
14 subdivision have established a STAR bond district and have
15 elected to impose a tax by ordinance pursuant to subsection
16 (b) or (c) of this Section, each year after the date of the
17 adoption of the ordinance and until all STAR bond project
18 costs and all political subdivision obligations financing the
19 STAR bond project costs, if any, have been paid in accordance
20 with the STAR bond project plans, but in no event longer than
21 the maximum maturity date of the last of the STAR bonds issued
22 for projects in the STAR bond district, all amounts generated
23 by the retailers' occupation tax and service occupation tax

1 shall be collected and the tax shall be enforced by the
2 Department of Revenue in the same manner as all retailers'
3 occupation taxes and service occupation taxes imposed in the
4 political subdivision imposing the tax. The corporate
5 authorities of the political subdivision shall deposit the
6 proceeds of the taxes imposed under subsections (b) and (c)
7 into either (i) a special fund held by the corporate
8 authorities of the political subdivision called the STAR Bonds
9 Tax Allocation Fund for the purpose of paying STAR bond
10 project costs and obligations incurred in the payment of those
11 costs if such taxes are designated as pledged STAR revenues by
12 resolution or ordinance of the political subdivision or (ii)
13 the political subdivision's general corporate fund if such
14 taxes are not designated as pledged STAR revenues by
15 resolution or ordinance.

16 The tax imposed under this Section by a municipality may
17 be imposed only on the portion of a STAR bond district that is
18 within the boundaries of the municipality. For any part of a
19 STAR bond district that lies outside of the boundaries of that
20 municipality, the municipality in which the other part of the
21 STAR bond district lies (or the county, in cases where a
22 portion of the STAR bond district lies in the unincorporated
23 area of a county) is authorized to impose the tax under this
24 Section on that part of the STAR bond district.

25 (b) The corporate authorities of a political subdivision
26 that has established a STAR bond district under this Act may,

1 by ordinance or resolution, impose a STAR Bond Retailers'
2 Occupation Tax upon all persons engaged in the business of
3 selling tangible personal property, other than an item of
4 tangible personal property titled or registered with an agency
5 of this State's government, at retail in the STAR bond
6 district at a rate not to exceed 1% of the gross receipts from

7 the sales made in the course of that business, to be imposed
8 only in 0.25% increments. The tax may not be imposed on
9 tangible personal property taxed at the 1% rate under the
10 Retailers' Occupation Tax Act (or at the 0% rate imposed under
11 this amendatory Act of the 102nd General Assembly). Beginning
12 December 1, 2019 and through December 31, 2020, this tax is not
13 imposed on sales of aviation fuel unless the tax revenue is
14 expended for airport-related purposes. If the District does
15 not have an airport-related purpose to which aviation fuel tax
16 revenue is dedicated, then aviation fuel is excluded from the
17 tax. The municipality must comply with the certification
18 requirements for airport-related purposes under Section 2-22
19 of the Retailers' Occupation Tax Act. For purposes of this
20 Act, "airport-related purposes" has the meaning ascribed in
21 Section 6z-20.2 of the State Finance Act. Beginning January 1,
22 2021, this tax is not imposed on sales of aviation fuel for so
23 long as the revenue use requirements of 49 U.S.C. 47107(b) and
24 49 U.S.C. 47133 are binding on the District.

25 The tax imposed under this subsection and all civil
26 penalties that may be assessed as an incident thereof shall be

1 collected and enforced by the Department of Revenue. The
2 certificate of registration that is issued by the Department
3 to a retailer under the Retailers' Occupation Tax Act shall
4 permit the retailer to engage in a business that is taxable
5 under any ordinance or resolution enacted pursuant to this
6 subsection without registering separately with the Department
7 under such ordinance or resolution or under this subsection.
8 The Department of Revenue shall have full power to administer
9 and enforce this subsection, to collect all taxes and
10 penalties due under this subsection in the manner hereinafter
11 provided, and to determine all rights to credit memoranda
12 arising on account of the erroneous payment of tax or penalty
13 under this subsection. In the administration of, and
14 compliance with, this subsection, the Department and persons
15 who are subject to this subsection shall have the same rights,
16 remedies, privileges, immunities, powers, and duties, and be
17 subject to the same conditions, restrictions, limitations,
18 penalties, exclusions, exemptions, and definitions of terms

19 and employ the same modes of procedure, as are prescribed in
20 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all
21 provisions therein other than the State rate of tax), 2c
22 through 2h, 3 (except as to the disposition of taxes and
23 penalties collected, and except that the retailer's discount
24 is not allowed for taxes paid on aviation fuel that are subject
25 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
26 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k,

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1 5l, 5m, 5n, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of
2 the Retailers' Occupation Tax Act and all provisions of the
3 Uniform Penalty and Interest Act, as fully as if those
4 provisions were set forth herein.

5 If a tax is imposed under this subsection (b), a tax shall
6 also be imposed under subsection (c) of this Section.

7 (c) If a tax has been imposed under subsection (b), a STAR
8 Bond Service Occupation Tax shall also be imposed upon all
9 persons engaged, in the STAR bond district, in the business of
10 making sales of service, who, as an incident to making those
11 sales of service, transfer tangible personal property within
12 the STAR bond district, either in the form of tangible
13 personal property or in the form of real estate as an incident
14 to a sale of service. The tax shall be imposed at the same rate
15 as the tax imposed in subsection (b) and shall not exceed 1% of
16 the selling price of tangible personal property so transferred
17 within the STAR bond district, to be imposed only in 0.25%
18 increments. The tax may not be imposed on tangible personal
19 property taxed at the 1% rate under the Service Occupation Tax
20 Act (or at the 0% rate imposed under this amendatory Act of the
21 102nd General Assembly). Beginning December 1, 2019 and
22 through December 31, 2020, this tax is not imposed on sales of
23 aviation fuel unless the tax revenue is expended for
24 airport-related purposes. If the District does not have an
25 airport-related purpose to which aviation fuel tax revenue is
26 dedicated, then aviation fuel is excluded from the tax. The

1 municipality must comply with the certification requirements
2 for airport-related purposes under Section 2-22 of the
3 Retailers' Occupation Tax Act. For purposes of this Act,
4 "airport-related purposes" has the meaning ascribed in Section
5 6z-20.2 of the State Finance Act. Beginning January 1, 2021,
6 this tax is not imposed on sales of aviation fuel for so long
7 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
8 U.S.C. 47133 are binding on the District.

9 The tax imposed under this subsection and all civil
10 penalties that may be assessed as an incident thereof shall be
11 collected and enforced by the Department of Revenue. The
12 certificate of registration that is issued by the Department
13 to a retailer under the Retailers' Occupation Tax Act or under
14 the Service Occupation Tax Act shall permit the registrant to
15 engage in a business that is taxable under any ordinance or
16 resolution enacted pursuant to this subsection without
17 registering separately with the Department under that
18 ordinance or resolution or under this subsection. The
19 Department of Revenue shall have full power to administer and
20 enforce this subsection, to collect all taxes and penalties
21 due under this subsection, to dispose of taxes and penalties
22 so collected in the manner hereinafter provided, and to
23 determine all rights to credit memoranda arising on account of
24 the erroneous payment of tax or penalty under this subsection.
25 In the administration of, and compliance with this subsection,
26 the Department and persons who are subject to this subsection

1 shall have the same rights, remedies, privileges, immunities,
2 powers, and duties, and be subject to the same conditions,
3 restrictions, limitations, penalties, exclusions, exemptions,
4 and definitions of terms and employ the same modes of
5 procedure as are prescribed in Sections 2, 2a through 2d, 3
6 through 3-50 (in respect to all provisions therein other than
7 the State rate of tax), 4 (except that the reference to the
8 State shall be to the STAR bond district), 5, 7, 8 (except that
9 the jurisdiction to which the tax shall be a debt to the extent
10 indicated in that Section 8 shall be the political

11 subdivision), 9 (except as to the disposition of taxes and
12 penalties collected, and except that the returned merchandise
13 credit for this tax may not be taken against any State tax, and
14 except that the retailer's discount is not allowed for taxes
15 paid on aviation fuel that are subject to the revenue use
16 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
17 11, 12 (except the reference therein to Section 2b of the
18 Retailers' Occupation Tax Act), 13 (except that any reference
19 to the State shall mean the political subdivision), the first
20 paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of
21 the Service Occupation Tax Act and all provisions of the
22 Uniform Penalty and Interest Act, as fully as if those
23 provisions were set forth herein.

24 If a tax is imposed under this subsection (c), a tax shall
25 also be imposed under subsection (b) of this Section.

26 (c-5) If, on January 1, 2025, a unit of local government

1 has in effect a tax under this Section, or if, after January 1,
2 2025, a unit of local government imposes a tax under this
3 Section, then that tax applies to leases of tangible personal
4 property in effect, entered into, or renewed on or after that
5 date in the same manner as the tax under this Section and in
6 accordance with the changes made by this amendatory Act of the
7 103rd General Assembly.

8 (d) Persons subject to any tax imposed under this Section
9 may reimburse themselves for their seller's tax liability
10 under this Section by separately stating the tax as an
11 additional charge, which charge may be stated in combination,
12 in a single amount, with State taxes that sellers are required
13 to collect under the Use Tax Act, in accordance with such
14 bracket schedules as the Department may prescribe.

15 Whenever the Department determines that a refund should be
16 made under this Section to a claimant instead of issuing a
17 credit memorandum, the Department shall notify the State
18 Comptroller, who shall cause the order to be drawn for the
19 amount specified and to the person named in the notification
20 from the Department. The refund shall be paid by the State
21 Treasurer out of the STAR Bond Retailers' Occupation Tax Fund
22 or the Local Government Aviation Trust Fund, as appropriate.

23 Except as otherwise provided in this paragraph, the
24 Department shall immediately pay over to the State Treasurer,
25 ex officio, as trustee, all taxes, penalties, and interest
26 collected under this Section for deposit into the STAR Bond

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1 Retailers' Occupation Tax Fund. Taxes and penalties collected
2 on aviation fuel sold on or after December 1, 2019, shall be
3 immediately paid over by the Department to the State
4 Treasurer, ex officio, as trustee, for deposit into the Local
5 Government Aviation Trust Fund. The Department shall only pay
6 moneys into the Local Government Aviation Trust Fund under
7 this Section for so long as the revenue use requirements of 49
8 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
9 District. On or before the 25th day of each calendar month, the
10 Department shall prepare and certify to the Comptroller the
11 disbursement of stated sums of money to named political
12 subdivisions from the STAR Bond Retailers' Occupation Tax
13 Fund, the political subdivisions to be those from which
14 retailers have paid taxes or penalties under this Section to
15 the Department during the second preceding calendar month. The
16 amount to be paid to each political subdivision shall be the
17 amount (not including credit memoranda and not including taxes
18 and penalties collected on aviation fuel sold on or after
19 December 1, 2019) collected under this Section during the
20 second preceding calendar month by the Department plus an
21 amount the Department determines is necessary to offset any
22 amounts that were erroneously paid to a different taxing body,
23 and not including an amount equal to the amount of refunds made
24 during the second preceding calendar month by the Department,
25 less 3% of that amount, which shall be deposited into the Tax
26 Compliance and Administration Fund and shall be used by the

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1 Department, subject to appropriation, to cover the costs of
2 the Department in administering and enforcing the provisions

3 of this Section, on behalf of such political subdivision, and
4 not including any amount that the Department determines is
5 necessary to offset any amounts that were payable to a
6 different taxing body but were erroneously paid to the
7 political subdivision. Within 10 days after receipt by the
8 Comptroller of the disbursement certification to the political
9 subdivisions provided for in this Section to be given to the
10 Comptroller by the Department, the Comptroller shall cause the
11 orders to be drawn for the respective amounts in accordance
12 with the directions contained in the certification. The
13 proceeds of the tax paid to political subdivisions under this
14 Section shall be deposited into either (i) the STAR Bonds Tax
15 Allocation Fund by the political subdivision if the political
16 subdivision has designated them as pledged STAR revenues by
17 resolution or ordinance or (ii) the political subdivision's
18 general corporate fund if the political subdivision has not
19 designated them as pledged STAR revenues.

20 An ordinance or resolution imposing or discontinuing the
21 tax under this Section or effecting a change in the rate
22 thereof shall either (i) be adopted and a certified copy
23 thereof filed with the Department on or before the first day of
24 April, whereupon the Department, if all other requirements of
25 this Section are met, shall proceed to administer and enforce
26 this Section as of the first day of July next following the

1 adoption and filing; or (ii) be adopted and a certified copy
2 thereof filed with the Department on or before the first day of
3 October, whereupon, if all other requirements of this Section
4 are met, the Department shall proceed to administer and
5 enforce this Section as of the first day of January next
6 following the adoption and filing.

7 The Department of Revenue shall not administer or enforce
8 an ordinance imposing, discontinuing, or changing the rate of
9 the tax under this Section until the political subdivision
10 also provides, in the manner prescribed by the Department, the
11 boundaries of the STAR bond district and each address in the
12 STAR bond district in such a way that the Department can
13 determine by its address whether a business is located in the
14 STAR bond district. The political subdivision must provide

15 this boundary and address information to the Department on or
16 before April 1 for administration and enforcement of the tax
17 under this Section by the Department beginning on the
18 following July 1 and on or before October 1 for administration
19 and enforcement of the tax under this Section by the
20 Department beginning on the following January 1. The
21 Department of Revenue shall not administer or enforce any
22 change made to the boundaries of a STAR bond district or any
23 address change, addition, or deletion until the political
24 subdivision reports the boundary change or address change,
25 addition, or deletion to the Department in the manner
26 prescribed by the Department. The political subdivision must

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1 provide this boundary change or address change, addition, or
2 deletion information to the Department on or before April 1
3 for administration and enforcement by the Department of the
4 change, addition, or deletion beginning on the following July
5 1 and on or before October 1 for administration and
6 enforcement by the Department of the change, addition, or
7 deletion beginning on the following January 1. The retailers
8 in the STAR bond district shall be responsible for charging
9 the tax imposed under this Section. If a retailer is
10 incorrectly included or excluded from the list of those
11 required to collect the tax under this Section, both the
12 Department of Revenue and the retailer shall be held harmless
13 if they reasonably relied on information provided by the
14 political subdivision.

15 A political subdivision that imposes the tax under this
16 Section must submit to the Department of Revenue any other
17 information as the Department may require that is necessary
18 for the administration and enforcement of the tax.

19 When certifying the amount of a monthly disbursement to a
20 political subdivision under this Section, the Department shall
21 increase or decrease the amount by an amount necessary to
22 offset any misallocation of previous disbursements. The offset
23 amount shall be the amount erroneously disbursed within the
24 previous 6 months from the time a misallocation is discovered.

25 Nothing in this Section shall be construed to authorize
26 the political subdivision to impose a tax upon the privilege

1 of engaging in any business which under the Constitution of
2 the United States may not be made the subject of taxation by
3 this State.

4 (e) When STAR bond project costs, including, without
5 limitation, all political subdivision obligations financing
6 STAR bond project costs, have been paid, any surplus funds
7 then remaining in the STAR Bonds Tax Allocation Fund shall be
8 distributed to the treasurer of the political subdivision for
9 deposit into the political subdivision's general corporate
10 fund. Upon payment of all STAR bond project costs and
11 retirement of obligations, but in no event later than the
12 maximum maturity date of the last of the STAR bonds issued in
13 the STAR bond district, the political subdivision shall adopt
14 an ordinance immediately rescinding the taxes imposed pursuant
15 to this Section and file a certified copy of the ordinance with
16 the Department in the form and manner as described in this
17 Section.

18 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

19 Section 70-70. The Counties Code is amended by changing
20 Sections 5-1006, 5-1006.5, 5-1006.7, 5-1006.8, 5-1006.9,
21 5-1008.5, and 5-12001 as follows:

22 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

23 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
24 Law. Any county that is a home rule unit may impose a tax upon

1 all persons engaged in the business of selling tangible
2 personal property, other than an item of tangible personal
3 property titled or registered with an agency of this State's
4 government, at retail in the county on the gross receipts from
5 such sales made in the course of their business. If imposed,
6 this tax shall only be imposed in 1/4% increments. On and after

7 September 1, 1991, this additional tax may not be imposed on
8 tangible personal property taxed at the 1% rate under the
9 Retailers' Occupation Tax Act (or at the 0% rate imposed under
10 this amendatory Act of the 102nd General Assembly). Beginning
11 December 1, 2019, this tax is not imposed on sales of aviation
12 fuel unless the tax revenue is expended for airport-related
13 purposes. If the county does not have an airport-related
14 purpose to which it dedicates aviation fuel tax revenue, then
15 aviation fuel is excluded from the tax. The county must comply
16 with the certification requirements for airport-related
17 purposes under Section 2-22 of the Retailers' Occupation Tax
18 Act. For purposes of this Section, "airport-related purposes"
19 has the meaning ascribed in Section 6z-20.2 of the State
20 Finance Act. This exclusion for aviation fuel only applies for
21 so long as the revenue use requirements of 49 U.S.C. 47107(b)
22 and 49 U.S.C. 47133 are binding on the county. The changes made
23 to this Section by this amendatory Act of the 101st General
24 Assembly are a denial and limitation of home rule powers and
25 functions under subsection (g) of Section 6 of Article VII of
26 the Illinois Constitution.

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1 If, on January 1, 2025, a unit of local government has in
2 effect a tax under this Section, or if, after January 1, 2025,
3 a unit of local government imposes a tax under this Section,
4 then that tax applies to leases of tangible personal property
5 in effect, entered into, or renewed on or after that date in
6 the same manner as the tax under this Section and in accordance
7 with the changes made by this amendatory Act of the 103rd
8 General Assembly.

9 The tax imposed by a home rule county pursuant to this
10 Section and all civil penalties that may be assessed as an
11 incident thereof shall be collected and enforced by the State
12 Department of Revenue. The certificate of registration that is
13 issued by the Department to a retailer under the Retailers'
14 Occupation Tax Act shall permit the retailer to engage in a
15 business that is taxable under any ordinance or resolution
16 enacted pursuant to this Section without registering
17 separately with the Department under such ordinance or
18 resolution or under this Section. The Department shall have

19 full power to administer and enforce this Section; to collect
20 all taxes and penalties due hereunder; to dispose of taxes and
21 penalties so collected in the manner hereinafter provided; and
22 to determine all rights to credit memoranda arising on account
23 of the erroneous payment of tax or penalty hereunder. In the
24 administration of, and compliance with, this Section, the
25 Department and persons who are subject to this Section shall
26 have the same rights, remedies, privileges, immunities, powers

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1 and duties, and be subject to the same conditions,
2 restrictions, limitations, penalties and definitions of terms,
3 and employ the same modes of procedure, as are prescribed in
4 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through
5 2-65 (in respect to all provisions therein other than the
6 State rate of tax), 3 (except as to the disposition of taxes
7 and penalties collected, and except that the retailer's
8 discount is not allowed for taxes paid on aviation fuel that
9 are subject to the revenue use requirements of 49 U.S.C.
10 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
11 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10,
12 11, 12 and 13 of the Retailers' Occupation Tax Act and Section
13 3-7 of the Uniform Penalty and Interest Act, as fully as if
14 those provisions were set forth herein.

15 No tax may be imposed by a home rule county pursuant to
16 this Section unless the county also imposes a tax at the same
17 rate pursuant to Section 5-1007.

18 Persons subject to any tax imposed pursuant to the
19 authority granted in this Section may reimburse themselves for
20 their seller's tax liability hereunder by separately stating
21 such tax as an additional charge, which charge may be stated in
22 combination, in a single amount, with State tax which sellers
23 are required to collect under the Use Tax Act, pursuant to such
24 bracket schedules as the Department may prescribe.

25 Whenever the Department determines that a refund should be
26 made under this Section to a claimant instead of issuing a

1 credit memorandum, the Department shall notify the State
2 Comptroller, who shall cause the order to be drawn for the
3 amount specified and to the person named in the notification
4 from the Department. The refund shall be paid by the State
5 Treasurer out of the home rule county retailers' occupation
6 tax fund or the Local Government Aviation Trust Fund, as
7 appropriate.

8 Except as otherwise provided in this paragraph, the
9 Department shall forthwith pay over to the State Treasurer, ex
10 officio, as trustee, all taxes and penalties collected
11 hereunder for deposit into the Home Rule County Retailers'
12 Occupation Tax Fund. Taxes and penalties collected on aviation
13 fuel sold on or after December 1, 2019, shall be immediately
14 paid over by the Department to the State Treasurer, ex
15 officio, as trustee, for deposit into the Local Government
16 Aviation Trust Fund. The Department shall only pay moneys into
17 the Local Government Aviation Trust Fund under this Section
18 for so long as the revenue use requirements of 49 U.S.C.
19 47107(b) and 49 U.S.C. 47133 are binding on the county.

20 As soon as possible after the first day of each month,
21 beginning January 1, 2011, upon certification of the
22 Department of Revenue, the Comptroller shall order
23 transferred, and the Treasurer shall transfer, to the STAR
24 Bonds Revenue Fund the local sales tax increment, as defined
25 in the Innovation Development and Economy Act, collected under
26 this Section during the second preceding calendar month for

1 sales within a STAR bond district.

2 After the monthly transfer to the STAR Bonds Revenue Fund,
3 on or before the 25th day of each calendar month, the
4 Department shall prepare and certify to the Comptroller the
5 disbursement of stated sums of money to named counties, the
6 counties to be those from which retailers have paid taxes or
7 penalties hereunder to the Department during the second
8 preceding calendar month. The amount to be paid to each county
9 shall be the amount (not including credit memoranda and not
10 including taxes and penalties collected on aviation fuel sold

11 on or after December 1, 2019) collected hereunder during the
12 second preceding calendar month by the Department plus an
13 amount the Department determines is necessary to offset any
14 amounts that were erroneously paid to a different taxing body,
15 and not including an amount equal to the amount of refunds made
16 during the second preceding calendar month by the Department
17 on behalf of such county, and not including any amount which
18 the Department determines is necessary to offset any amounts
19 which were payable to a different taxing body but were
20 erroneously paid to the county, and not including any amounts
21 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
22 of the remainder, which the Department shall transfer into the
23 Tax Compliance and Administration Fund. The Department, at the
24 time of each monthly disbursement to the counties, shall
25 prepare and certify to the State Comptroller the amount to be
26 transferred into the Tax Compliance and Administration Fund

1 under this Section. Within 10 days after receipt, by the
2 Comptroller, of the disbursement certification to the counties
3 and the Tax Compliance and Administration Fund provided for in
4 this Section to be given to the Comptroller by the Department,
5 the Comptroller shall cause the orders to be drawn for the
6 respective amounts in accordance with the directions contained
7 in the certification.

8 In addition to the disbursement required by the preceding
9 paragraph, an allocation shall be made in March of each year to
10 each county that received more than \$500,000 in disbursements
11 under the preceding paragraph in the preceding calendar year.
12 The allocation shall be in an amount equal to the average
13 monthly distribution made to each such county under the
14 preceding paragraph during the preceding calendar year
15 (excluding the 2 months of highest receipts). The distribution
16 made in March of each year subsequent to the year in which an
17 allocation was made pursuant to this paragraph and the
18 preceding paragraph shall be reduced by the amount allocated
19 and disbursed under this paragraph in the preceding calendar
20 year. The Department shall prepare and certify to the
21 Comptroller for disbursement the allocations made in
22 accordance with this paragraph.

23 For the purpose of determining the local governmental unit
24 whose tax is applicable, a retail sale by a producer of coal or
25 other mineral mined in Illinois is a sale at retail at the
26 place where the coal or other mineral mined in Illinois is

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1 extracted from the earth. This paragraph does not apply to
2 coal or other mineral when it is delivered or shipped by the
3 seller to the purchaser at a point outside Illinois so that the
4 sale is exempt under the United States Constitution as a sale
5 in interstate or foreign commerce.

6 Nothing in this Section shall be construed to authorize a
7 county to impose a tax upon the privilege of engaging in any
8 business which under the Constitution of the United States may
9 not be made the subject of taxation by this State.

10 An ordinance or resolution imposing or discontinuing a tax
11 hereunder or effecting a change in the rate thereof shall be
12 adopted and a certified copy thereof filed with the Department
13 on or before the first day of June, whereupon the Department
14 shall proceed to administer and enforce this Section as of the
15 first day of September next following such adoption and
16 filing. Beginning January 1, 1992, an ordinance or resolution
17 imposing or discontinuing the tax hereunder or effecting a
18 change in the rate thereof shall be adopted and a certified
19 copy thereof filed with the Department on or before the first
20 day of July, whereupon the Department shall proceed to
21 administer and enforce this Section as of the first day of
22 October next following such adoption and filing. Beginning
23 January 1, 1993, an ordinance or resolution imposing or
24 discontinuing the tax hereunder or effecting a change in the
25 rate thereof shall be adopted and a certified copy thereof
26 filed with the Department on or before the first day of

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1 October, whereupon the Department shall proceed to administer
2 and enforce this Section as of the first day of January next

3 following such adoption and filing. Beginning April 1, 1998,
4 an ordinance or resolution imposing or discontinuing the tax
5 hereunder or effecting a change in the rate thereof shall
6 either (i) be adopted and a certified copy thereof filed with
7 the Department on or before the first day of April, whereupon
8 the Department shall proceed to administer and enforce this
9 Section as of the first day of July next following the adoption
10 and filing; or (ii) be adopted and a certified copy thereof
11 filed with the Department on or before the first day of
12 October, whereupon the Department shall proceed to administer
13 and enforce this Section as of the first day of January next
14 following the adoption and filing.

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

21 This Section shall be known and may be cited as the Home
22 Rule County Retailers' Occupation Tax Law.

23 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

24 (55 ILCS 5/5-1006.5)

25 Sec. 5-1006.5. Special County Retailers' Occupation Tax

1 For Public Safety, Public Facilities, Mental Health, Substance
2 Abuse, or Transportation.

3 (a) The county board of any county may impose a tax upon
4 all persons engaged in the business of selling tangible
5 personal property, other than personal property titled or
6 registered with an agency of this State's government, at
7 retail in the county on the gross receipts from the sales made
8 in the course of business to provide revenue to be used
9 exclusively for public safety, public facility, mental health,
10 substance abuse, or transportation purposes in that county
11 (except as otherwise provided in this Section), if a
12 proposition for the tax has been submitted to the electors of
13 that county and approved by a majority of those voting on the
14 question. If imposed, this tax shall be imposed only in

15 one-quarter percent increments. By resolution, the county
16 board may order the proposition to be submitted at any
17 election. If the tax is imposed for transportation purposes
18 for expenditures for public highways or as authorized under
19 the Illinois Highway Code, the county board must publish
20 notice of the existence of its long-range highway
21 transportation plan as required or described in Section 5-301
22 of the Illinois Highway Code and must make the plan publicly
23 available prior to approval of the ordinance or resolution
24 imposing the tax. If the tax is imposed for transportation
25 purposes for expenditures for passenger rail transportation,
26 the county board must publish notice of the existence of its

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1 long-range passenger rail transportation plan and must make
2 the plan publicly available prior to approval of the ordinance
3 or resolution imposing the tax.

4 If a tax is imposed for public facilities purposes, then
5 the name of the project may be included in the proposition at
6 the discretion of the county board as determined in the
7 enabling resolution. For example, the "XXX Nursing Home" or
8 the "YYY Museum".

9 The county clerk shall certify the question to the proper
10 election authority, who shall submit the proposition at an
11 election in accordance with the general election law.

12 (1) The proposition for public safety purposes shall
13 be in substantially the following form:

14 "To pay for public safety purposes, shall (name of
15 county) be authorized to impose an increase on its share
16 of local sales taxes by (insert rate)?"

17 As additional information on the ballot below the
18 question shall appear the following:

19 "This would mean that a consumer would pay an
20 additional (insert amount) in sales tax for every \$100 of
21 tangible personal property bought at retail."

22 The county board may also opt to establish a sunset
23 provision at which time the additional sales tax would
24 cease being collected, if not terminated earlier by a vote
25 of the county board. If the county board votes to include a
26 sunset provision, the proposition for public safety

1 purposes shall be in substantially the following form:

2 "To pay for public safety purposes, shall (name of
3 county) be authorized to impose an increase on its share
4 of local sales taxes by (insert rate) for a period not to
5 exceed (insert number of years)?"

6 As additional information on the ballot below the
7 question shall appear the following:

8 "This would mean that a consumer would pay an
9 additional (insert amount) in sales tax for every \$100 of
10 tangible personal property bought at retail. If imposed,
11 the additional tax would cease being collected at the end
12 of (insert number of years), if not terminated earlier by
13 a vote of the county board."

14 For the purposes of the paragraph, "public safety
15 purposes" means crime prevention, detention, fire
16 fighting, police, medical, ambulance, or other emergency
17 services.

18 Votes shall be recorded as "Yes" or "No".

19 Beginning on the January 1 or July 1, whichever is
20 first, that occurs not less than 30 days after May 31, 2015
21 (the effective date of Public Act 99-4), Adams County may
22 impose a public safety retailers' occupation tax and
23 service occupation tax at the rate of 0.25%, as provided
24 in the referendum approved by the voters on April 7, 2015,
25 notwithstanding the omission of the additional information
26 that is otherwise required to be printed on the ballot

1 below the question pursuant to this item (1).

2 (2) The proposition for transportation purposes shall
3 be in substantially the following form:

4 "To pay for improvements to roads and other
5 transportation purposes, shall (name of county) be
6 authorized to impose an increase on its share of local

7 sales taxes by (insert rate)?"

8 As additional information on the ballot below the
9 question shall appear the following:

10 "This would mean that a consumer would pay an
11 additional (insert amount) in sales tax for every \$100 of
12 tangible personal property bought at retail."

13 The county board may also opt to establish a sunset
14 provision at which time the additional sales tax would
15 cease being collected, if not terminated earlier by a vote
16 of the county board. If the county board votes to include a
17 sunset provision, the proposition for transportation
18 purposes shall be in substantially the following form:

19 "To pay for road improvements and other transportation
20 purposes, shall (name of county) be authorized to impose
21 an increase on its share of local sales taxes by (insert
22 rate) for a period not to exceed (insert number of
23 years)?"

24 As additional information on the ballot below the
25 question shall appear the following:

26 "This would mean that a consumer would pay an

1 additional (insert amount) in sales tax for every \$100 of
2 tangible personal property bought at retail. If imposed,
3 the additional tax would cease being collected at the end
4 of (insert number of years), if not terminated earlier by
5 a vote of the county board."

6 For the purposes of this paragraph, transportation
7 purposes means construction, maintenance, operation, and
8 improvement of public highways, any other purpose for
9 which a county may expend funds under the Illinois Highway
10 Code, and passenger rail transportation.

11 The votes shall be recorded as "Yes" or "No".

12 (3) The proposition for public facilities purposes
13 shall be in substantially the following form:

14 "To pay for public facilities purposes, shall (name of
15 county) be authorized to impose an increase on its share
16 of local sales taxes by (insert rate)?"

17 As additional information on the ballot below the
18 question shall appear the following:

19 "This would mean that a consumer would pay an
20 additional (insert amount) in sales tax for every \$100 of
21 tangible personal property bought at retail."
22 The county board may also opt to establish a sunset
23 provision at which time the additional sales tax would
24 cease being collected, if not terminated earlier by a vote
25 of the county board. If the county board votes to include a
26 sunset provision, the proposition for public facilities

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1 purposes shall be in substantially the following form:

2 "To pay for public facilities purposes, shall (name of
3 county) be authorized to impose an increase on its share
4 of local sales taxes by (insert rate) for a period not to
5 exceed (insert number of years)?"

6 As additional information on the ballot below the
7 question shall appear the following:

8 "This would mean that a consumer would pay an
9 additional (insert amount) in sales tax for every \$100 of
10 tangible personal property bought at retail. If imposed,
11 the additional tax would cease being collected at the end
12 of (insert number of years), if not terminated earlier by
13 a vote of the county board."

14 For purposes of this Section, "public facilities
15 purposes" means the acquisition, development,
16 construction, reconstruction, rehabilitation,
17 improvement, financing, architectural planning, and
18 installation of capital facilities consisting of
19 buildings, structures, and durable equipment and for the
20 acquisition and improvement of real property and interest
21 in real property required, or expected to be required, in
22 connection with the public facilities, for use by the
23 county for the furnishing of governmental services to its
24 citizens, including, but not limited to, museums and
25 nursing homes.

26 The votes shall be recorded as "Yes" or "No".

1 (4) The proposition for mental health purposes shall
2 be in substantially the following form:

3 "To pay for mental health purposes, shall (name of
4 county) be authorized to impose an increase on its share
5 of local sales taxes by (insert rate)?"

6 As additional information on the ballot below the
7 question shall appear the following:

8 "This would mean that a consumer would pay an
9 additional (insert amount) in sales tax for every \$100 of
10 tangible personal property bought at retail."

11 The county board may also opt to establish a sunset
12 provision at which time the additional sales tax would
13 cease being collected, if not terminated earlier by a vote
14 of the county board. If the county board votes to include a
15 sunset provision, the proposition for public facilities
16 purposes shall be in substantially the following form:

17 "To pay for mental health purposes, shall (name of
18 county) be authorized to impose an increase on its share
19 of local sales taxes by (insert rate) for a period not to
20 exceed (insert number of years)?"

21 As additional information on the ballot below the
22 question shall appear the following:

23 "This would mean that a consumer would pay an
24 additional (insert amount) in sales tax for every \$100 of
25 tangible personal property bought at retail. If imposed,
26 the additional tax would cease being collected at the end

1 of (insert number of years), if not terminated earlier by
2 a vote of the county board."

3 The votes shall be recorded as "Yes" or "No".

4 (5) The proposition for substance abuse purposes shall
5 be in substantially the following form:

6 "To pay for substance abuse purposes, shall (name of
7 county) be authorized to impose an increase on its share
8 of local sales taxes by (insert rate)?"

9 As additional information on the ballot below the
10 question shall appear the following:

11 "This would mean that a consumer would pay an
12 additional (insert amount) in sales tax for every \$100 of
13 tangible personal property bought at retail."
14 The county board may also opt to establish a sunset
15 provision at which time the additional sales tax would
16 cease being collected, if not terminated earlier by a vote
17 of the county board. If the county board votes to include a
18 sunset provision, the proposition for public facilities
19 purposes shall be in substantially the following form:
20 "To pay for substance abuse purposes, shall (name of
21 county) be authorized to impose an increase on its share
22 of local sales taxes by (insert rate) for a period not to
23 exceed (insert number of years)?"
24 As additional information on the ballot below the
25 question shall appear the following:
26 "This would mean that a consumer would pay an

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1 additional (insert amount) in sales tax for every \$100 of
2 tangible personal property bought at retail. If imposed,
3 the additional tax would cease being collected at the end
4 of (insert number of years), if not terminated earlier by
5 a vote of the county board."
6 The votes shall be recorded as "Yes" or "No".
7 If a majority of the electors voting on the proposition
8 vote in favor of it, the county may impose the tax. A county
9 may not submit more than one proposition authorized by this
10 Section to the electors at any one time.
11 This additional tax may not be imposed on tangible
12 personal property taxed at the 1% rate under the Retailers'
13 Occupation Tax Act (or at the 0% rate imposed under Public Act
14 102-700 ~~this amendatory Act of the 102nd General Assembly~~).
15 Beginning December 1, 2019 and through December 31, 2020, this
16 tax is not imposed on sales of aviation fuel unless the tax
17 revenue is expended for airport-related purposes. If the
18 county does not have an airport-related purpose to which it
19 dedicates aviation fuel tax revenue, then aviation fuel is
20 excluded from the tax. The county must comply with the
21 certification requirements for airport-related purposes under
22 Section 2-22 of the Retailers' Occupation Tax Act. For

23 purposes of this Section, "airport-related purposes" has the
24 meaning ascribed in Section 6z-20.2 of the State Finance Act.
25 Beginning January 1, 2021, this tax is not imposed on sales of
26 aviation fuel for so long as the revenue use requirements of 49

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1 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.
2 The tax imposed by a county under this Section and all civil
3 penalties that may be assessed as an incident of the tax shall
4 be collected and enforced by the Illinois Department of
5 Revenue and deposited into a special fund created for that
6 purpose. The certificate of registration that is issued by the
7 Department to a retailer under the Retailers' Occupation Tax
8 Act shall permit the retailer to engage in a business that is
9 taxable without registering separately with the Department
10 under an ordinance or resolution under this Section. The
11 Department has full power to administer and enforce this
12 Section, to collect all taxes and penalties due under this
13 Section, to dispose of taxes and penalties so collected in the
14 manner provided in this Section, and to determine all rights
15 to credit memoranda arising on account of the erroneous
16 payment of a tax or penalty under this Section. In the
17 administration of and compliance with this Section, the
18 Department and persons who are subject to this Section shall
19 (i) have the same rights, remedies, privileges, immunities,
20 powers, and duties, (ii) be subject to the same conditions,
21 restrictions, limitations, penalties, and definitions of
22 terms, and (iii) employ the same modes of procedure as are
23 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
24 1n, 2 through 2-70 (in respect to all provisions contained in
25 those Sections other than the State rate of tax), 2a, 2b, 2c, 3
26 (except provisions relating to transaction returns and quarter

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1 monthly payments, and except that the retailer's discount is
2 not allowed for taxes paid on aviation fuel that are deposited

3 into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b,
4 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c,
5 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
6 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
7 Interest Act as if those provisions were set forth in this
8 Section.

9 Persons subject to any tax imposed under the authority
10 granted in this Section may reimburse themselves for their
11 sellers' tax liability by separately stating the tax as an
12 additional charge, which charge may be stated in combination,
13 in a single amount, with State tax which sellers are required
14 to collect under the Use Tax Act, pursuant to such bracketed
15 schedules as the Department may prescribe.

16 Whenever the Department determines that a refund should be
17 made under this Section to a claimant instead of issuing a
18 credit memorandum, the Department shall notify the State
19 Comptroller, who shall cause the order to be drawn for the
20 amount specified and to the person named in the notification
21 from the Department. The refund shall be paid by the State
22 Treasurer out of the County Public Safety, Public Facilities,
23 Mental Health, Substance Abuse, or Transportation Retailers'
24 Occupation Tax Fund or the Local Government Aviation Trust
25 Fund, as appropriate.

26 (b) If a tax has been imposed under subsection (a), a

1 service occupation tax shall also be imposed upon all persons
2 engaged in the county in the business of making sales of
3 service, at the same rate of tax imposed under subsection (a),
4 on the selling price of all ~~upon all persons engaged, in the~~
5 ~~county, in the business of making sales of service, who, as an~~
6 ~~incident to making those sales of service, transfer~~ tangible
7 personal property transferred by the serviceman ~~within the~~
8 ~~county~~ as an incident to a sale of service. This tax may not be
9 imposed on tangible personal property taxed at the 1% rate
10 under the Service Occupation Tax Act (or at the 0% rate imposed
11 under Public Act 102-700 ~~this amendatory Act of the 102nd~~
12 ~~General Assembly~~). Beginning December 1, 2019 and through
13 December 31, 2020, this tax is not imposed on sales of aviation
14 fuel unless the tax revenue is expended for airport-related

15 purposes. If the county does not have an airport-related
16 purpose to which it dedicates aviation fuel tax revenue, then
17 aviation fuel is excluded from the tax. The county must comply
18 with the certification requirements for airport-related
19 purposes under Section 2-22 of the Retailers' Occupation Tax
20 Act. For purposes of this Section, "airport-related purposes"
21 has the meaning ascribed in Section 6z-20.2 of the State
22 Finance Act. Beginning January 1, 2021, this tax is not
23 imposed on sales of aviation fuel for so long as the revenue
24 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
25 binding on the county. The tax imposed under this subsection
26 and all civil penalties that may be assessed as an incident

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1 thereof shall be collected and enforced by the Department of
2 Revenue. The Department has full power to administer and
3 enforce this subsection; to collect all taxes and penalties
4 due hereunder; to dispose of taxes and penalties so collected
5 in the manner hereinafter provided; and to determine all
6 rights to credit memoranda arising on account of the erroneous
7 payment of tax or penalty hereunder. In the administration of
8 and compliance with this subsection, the Department and
9 persons who are subject to this paragraph shall (i) have the
10 same rights, remedies, privileges, immunities, powers, and
11 duties, (ii) be subject to the same conditions, restrictions,
12 limitations, penalties, exclusions, exemptions, and
13 definitions of terms, and (iii) employ the same modes of
14 procedure as are prescribed in Sections 2 (except that the
15 reference to State in the definition of supplier maintaining a
16 place of business in this State shall mean the county), 2a, 2b,
17 2c, 3 through 3-50 (in respect to all provisions therein other
18 than the State rate of tax), 4 (except that the reference to
19 the State shall be to the county), 5, 7, 8 (except that the
20 jurisdiction to which the tax shall be a debt to the extent
21 indicated in that Section 8 shall be the county), 9 (except as
22 to the disposition of taxes and penalties collected, and
23 except that the retailer's discount is not allowed for taxes
24 paid on aviation fuel that are deposited into the Local
25 Government Aviation Trust Fund), 10, 11, 12 (except the
26 reference therein to Section 2b of the Retailers' Occupation

1 Tax Act), 13 (except that any reference to the State shall mean
2 the county), Section 15, 16, 17, 18, 19, and 20 of the Service
3 Occupation Tax Act, and Section 3-7 of the Uniform Penalty and
4 Interest Act, as fully as if those provisions were set forth
5 herein.

6 Persons subject to any tax imposed under the authority
7 granted in this subsection may reimburse themselves for their
8 serviceman's tax liability by separately stating the tax as an
9 additional charge, which charge may be stated in combination,
10 in a single amount, with State tax that servicemen are
11 authorized to collect under the Service Use Tax Act, in
12 accordance with such bracket schedules as the Department may
13 prescribe.

14 Whenever the Department determines that a refund should be
15 made under this subsection to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the warrant to be drawn for the
18 amount specified, and to the person named, in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the County Public Safety, Public Facilities,
21 Mental Health, Substance Abuse, or Transportation Retailers'
22 Occupation Tax Fund or the Local Government Aviation Trust
23 Fund, as appropriate.

24 Nothing in this subsection shall be construed to authorize
25 the county to impose a tax upon the privilege of engaging in
26 any business which under the Constitution of the United States

1 may not be made the subject of taxation by the State.

2 (b-5) If, on January 1, 2025, a unit of local government
3 has in effect a tax under this Section, or if, after January 1,
4 2025, a unit of local government imposes a tax under this
5 Section, then that tax applies to leases of tangible personal
6 property in effect, entered into, or renewed on or after that

7 date in the same manner as the tax under this Section and in
8 accordance with the changes made by Public Act 103-592 ~~this~~
9 ~~amendatory Act of the 103rd General Assembly.~~

10 (c) Except as otherwise provided in this paragraph, the
11 Department shall immediately pay over to the State Treasurer,
12 ex officio, as trustee, all taxes and penalties collected
13 under this Section to be deposited into the County Public
14 Safety, Public Facilities, Mental Health, Substance Abuse, or
15 Transportation Retailers' Occupation Tax Fund, which shall be
16 an unappropriated trust fund held outside of the State
17 treasury. Taxes and penalties collected on aviation fuel sold
18 on or after December 1, 2019 and through December 31, 2020,
19 shall be immediately paid over by the Department to the State
20 Treasurer, ex officio, as trustee, for deposit into the Local
21 Government Aviation Trust Fund. The Department shall only pay
22 moneys into the Local Government Aviation Trust Fund under
23 this Act for so long as the revenue use requirements of 49
24 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

25 As soon as possible after the first day of each month,
26 beginning January 1, 2011, upon certification of the

1 Department of Revenue, the Comptroller shall order
2 transferred, and the Treasurer shall transfer, to the STAR
3 Bonds Revenue Fund the local sales tax increment, as defined
4 in the Innovation Development and Economy Act, collected under
5 this Section during the second preceding calendar month for
6 sales within a STAR bond district.

7 After the monthly transfer to the STAR Bonds Revenue Fund,
8 on or before the 25th day of each calendar month, the
9 Department shall prepare and certify to the Comptroller the
10 disbursement of stated sums of money to the counties from
11 which retailers have paid taxes or penalties to the Department
12 during the second preceding calendar month. The amount to be
13 paid to each county, and deposited by the county into its
14 special fund created for the purposes of this Section, shall
15 be the amount (not including credit memoranda and not
16 including taxes and penalties collected on aviation fuel sold
17 on or after December 1, 2019 and through December 31, 2020)
18 collected under this Section during the second preceding

19 calendar month by the Department plus an amount the Department
20 determines is necessary to offset any amounts that were
21 erroneously paid to a different taxing body, and not including
22 (i) an amount equal to the amount of refunds made during the
23 second preceding calendar month by the Department on behalf of
24 the county, (ii) any amount that the Department determines is
25 necessary to offset any amounts that were payable to a
26 different taxing body but were erroneously paid to the county,

1 (iii) any amounts that are transferred to the STAR Bonds
2 Revenue Fund, and (iv) 1.5% of the remainder, which shall be
3 transferred into the Tax Compliance and Administration Fund.
4 The Department, at the time of each monthly disbursement to
5 the counties, shall prepare and certify to the State
6 Comptroller the amount to be transferred into the Tax
7 Compliance and Administration Fund under this subsection.
8 Within 10 days after receipt by the Comptroller of the
9 disbursement certification to the counties and the Tax
10 Compliance and Administration Fund provided for in this
11 Section to be given to the Comptroller by the Department, the
12 Comptroller shall cause the orders to be drawn for the
13 respective amounts in accordance with directions contained in
14 the certification.

15 In addition to the disbursement required by the preceding
16 paragraph, an allocation shall be made in March of each year to
17 each county that received more than \$500,000 in disbursements
18 under the preceding paragraph in the preceding calendar year.
19 The allocation shall be in an amount equal to the average
20 monthly distribution made to each such county under the
21 preceding paragraph during the preceding calendar year
22 (excluding the 2 months of highest receipts). The distribution
23 made in March of each year subsequent to the year in which an
24 allocation was made pursuant to this paragraph and the
25 preceding paragraph shall be reduced by the amount allocated
26 and disbursed under this paragraph in the preceding calendar

1 year. The Department shall prepare and certify to the
2 Comptroller for disbursement the allocations made in
3 accordance with this paragraph.

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

13 (e) Nothing in this Section shall be construed to
14 authorize a county to impose a tax upon the privilege of
15 engaging in any business that under the Constitution of the
16 United States may not be made the subject of taxation by this
17 State.

18 (e-5) If a county imposes a tax under this Section, the
19 county board may, by ordinance, discontinue or lower the rate
20 of the tax. If the county board lowers the tax rate or
21 discontinues the tax, a referendum must be held in accordance
22 with subsection (a) of this Section in order to increase the
23 rate of the tax or to reimpose the discontinued tax.

24 (f) Beginning April 1, 1998 and through December 31, 2013,
25 the results of any election authorizing a proposition to
26 impose a tax under this Section or effecting a change in the

1 rate of tax, or any ordinance lowering the rate or
2 discontinuing the tax, shall be certified by the county clerk
3 and filed with the Illinois Department of Revenue either (i)
4 on or before the first day of April, whereupon the Department
5 shall proceed to administer and enforce the tax as of the first
6 day of July next following the filing; or (ii) on or before the
7 first day of October, whereupon the Department shall proceed
8 to administer and enforce the tax as of the first day of
9 January next following the filing.

10 Beginning January 1, 2014, the results of any election

11 authorizing a proposition to impose a tax under this Section
12 or effecting an increase in the rate of tax, along with the
13 ordinance adopted to impose the tax or increase the rate of the
14 tax, or any ordinance adopted to lower the rate or discontinue
15 the tax, shall be certified by the county clerk and filed with
16 the Illinois Department of Revenue either (i) on or before the
17 first day of May, whereupon the Department shall proceed to
18 administer and enforce the tax as of the first day of July next
19 following the adoption and filing; or (ii) on or before the
20 first day of October, whereupon the Department shall proceed
21 to administer and enforce the tax as of the first day of
22 January next following the adoption and filing.

23 (g) When certifying the amount of a monthly disbursement
24 to a county under this Section, the Department shall increase
25 or decrease the amounts by an amount necessary to offset any
26 miscalculation of previous disbursements. The offset amount

1 shall be the amount erroneously disbursed within the previous
2 6 months from the time a miscalculation is discovered.

3 (g-5) Every county authorized to levy a tax under this
4 Section shall, before it levies such tax, establish a 7-member
5 mental health board, which shall have the same powers and
6 duties and be constituted in the same manner as a community
7 mental health board established under the Community Mental
8 Health Act. Proceeds of the tax under this Section that are
9 earmarked for mental health or substance abuse purposes shall
10 be deposited into a special county occupation tax fund for
11 mental health and substance abuse. The 7-member mental health
12 board established under this subsection shall administer the
13 special county occupation tax fund for mental health and
14 substance abuse in the same manner as the community mental
15 health board administers the community mental health fund
16 under the Community Mental Health Act.

17 (h) This Section may be cited as the "Special County
18 Occupation Tax For Public Safety, Public Facilities, Mental
19 Health, Substance Abuse, or Transportation Law".

20 (i) For purposes of this Section, "public safety"
21 includes, but is not limited to, crime prevention, detention,
22 fire fighting, police, medical, ambulance, or other emergency

23 services. The county may share tax proceeds received under
24 this Section for public safety purposes, including proceeds
25 received before August 4, 2009 (the effective date of Public
26 Act 96-124), with any fire protection district located in the

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1 county. For the purposes of this Section, "transportation"
2 includes, but is not limited to, the construction,
3 maintenance, operation, and improvement of public highways,
4 any other purpose for which a county may expend funds under the
5 Illinois Highway Code, and passenger rail transportation. For
6 the purposes of this Section, "public facilities purposes"
7 includes, but is not limited to, the acquisition, development,
8 construction, reconstruction, rehabilitation, improvement,
9 financing, architectural planning, and installation of capital
10 facilities consisting of buildings, structures, and durable
11 equipment and for the acquisition and improvement of real
12 property and interest in real property required, or expected
13 to be required, in connection with the public facilities, for
14 use by the county for the furnishing of governmental services
15 to its citizens, including, but not limited to, museums and
16 nursing homes.

17 (j) The Department may promulgate rules to implement
18 Public Act 95-1002 only to the extent necessary to apply the
19 existing rules for the Special County Retailers' Occupation
20 Tax for Public Safety to this new purpose for public
21 facilities.

22 (Source: P.A. 102-379, eff. 1-1-22; 102-700, eff. 4-19-22;
23 103-592, eff. 1-1-25; revised 7-7-25.)

24 (55 ILCS 5/5-1006.7)

25 Sec. 5-1006.7. School facility and resources occupation

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1 taxes.

2 (a) In any county, a tax shall be imposed upon all persons

3 engaged in the business of selling tangible personal property,
4 other than personal property titled or registered with an
5 agency of this State's government, at retail in the county on
6 the gross receipts from the sales made in the course of
7 business to provide revenue to be used exclusively for (i)
8 school facility purposes (except as otherwise provided in this
9 Section), (ii) school resource officers and mental health
10 professionals, or (iii) school facility purposes, school
11 resource officers, and mental health professionals if a
12 proposition for the tax has been submitted to the electors of
13 that county and approved by a majority of those voting on the
14 question as provided in subsection (c). The tax under this
15 Section shall be imposed only in one-quarter percent
16 increments and may not exceed 1%.

17 This additional tax may not be imposed on tangible
18 personal property taxed at the 1% rate under the Retailers'
19 Occupation Tax Act (or at the 0% rate imposed under Public Act
20 102-700). Beginning December 1, 2019 and through December 31,
21 2020, this tax is not imposed on sales of aviation fuel unless
22 the tax revenue is expended for airport-related purposes. If
23 the county does not have an airport-related purpose to which
24 it dedicates aviation fuel tax revenue, then aviation fuel is
25 excluded from the tax. The county must comply with the
26 certification requirements for airport-related purposes under

1 Section 2-22 of the Retailers' Occupation Tax Act. For
2 purposes of this Section, "airport-related purposes" has the
3 meaning ascribed in Section 6z-20.2 of the State Finance Act.
4 Beginning January 1, 2021, this tax is not imposed on sales of
5 aviation fuel for so long as the revenue use requirements of 49
6 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.
7 The Department of Revenue has full power to administer and
8 enforce this subsection, to collect all taxes and penalties
9 due under this subsection, to dispose of taxes and penalties
10 so collected in the manner provided in this subsection, and to
11 determine all rights to credit memoranda arising on account of
12 the erroneous payment of a tax or penalty under this
13 subsection. The Department shall deposit all taxes and
14 penalties collected under this subsection into a special fund

15 created for that purpose.

16 In the administration of and compliance with this
17 subsection, the Department and persons who are subject to this
18 subsection (i) have the same rights, remedies, privileges,
19 immunities, powers, and duties, (ii) are subject to the same
20 conditions, restrictions, limitations, penalties, and
21 definitions of terms, and (iii) shall employ the same modes of
22 procedure as are set forth in Sections 1 through 10, 2 through
23 2-70 (in respect to all provisions contained in those Sections
24 other than the State rate of tax), 2a through 2h, 3 (except as
25 to the disposition of taxes and penalties collected, and
26 except that the retailer's discount is not allowed for taxes

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1 paid on aviation fuel that are subject to the revenue use
2 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
3 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a,
4 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
5 Occupation Tax Act and all provisions of the Uniform Penalty
6 and Interest Act as if those provisions were set forth in this
7 subsection.

8 The certificate of registration that is issued by the
9 Department to a retailer under the Retailers' Occupation Tax
10 Act permits the retailer to engage in a business that is
11 taxable without registering separately with the Department
12 under an ordinance or resolution under this subsection.

13 Persons subject to any tax imposed under the authority
14 granted in this subsection may reimburse themselves for their
15 seller's tax liability by separately stating that tax as an
16 additional charge, which may be stated in combination, in a
17 single amount, with State tax that sellers are required to
18 collect under the Use Tax Act, pursuant to any bracketed
19 schedules set forth by the Department.

20 (b) If a tax has been imposed under subsection (a), then a
21 service occupation tax must also be imposed upon all persons
22 engaged in the county in the business of making sales of
23 service, at the same rate of tax imposed under subsection (a),
24 on the selling price of all ~~upon all persons engaged, in the~~
25 ~~county, in the business of making sales of service, who, as an~~
26 ~~incident to making those sales of service, transfer~~ tangible

1 personal property transferred by the serviceman within the
2 county as an incident to a sale of service.

3 This tax may not be imposed on tangible personal property
4 taxed at the 1% rate under the Service Occupation Tax Act (or
5 at the 0% rate imposed under Public Act 102-700). Beginning
6 December 1, 2019 and through December 31, 2020, this tax is not
7 imposed on sales of aviation fuel unless the tax revenue is
8 expended for airport-related purposes. If the county does not
9 have an airport-related purpose to which it dedicates aviation
10 fuel tax revenue, then aviation fuel is excluded from the tax.
11 The county must comply with the certification requirements for
12 airport-related purposes under Section 2-22 of the Retailers'
13 Occupation Tax Act. For purposes of this Section,
14 "airport-related purposes" has the meaning ascribed in Section
15 6z-20.2 of the State Finance Act. Beginning January 1, 2021,
16 this tax is not imposed on sales of aviation fuel for so long
17 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
18 U.S.C. 47133 are binding on the county.

19 The tax imposed under this subsection and all civil
20 penalties that may be assessed as an incident thereof shall be
21 collected and enforced by the Department and deposited into a
22 special fund created for that purpose. The Department has full
23 power to administer and enforce this subsection, to collect
24 all taxes and penalties due under this subsection, to dispose
25 of taxes and penalties so collected in the manner provided in
26 this subsection, and to determine all rights to credit

1 memoranda arising on account of the erroneous payment of a tax
2 or penalty under this subsection.

3 In the administration of and compliance with this
4 subsection, the Department and persons who are subject to this
5 subsection shall (i) have the same rights, remedies,
6 privileges, immunities, powers and duties, (ii) be subject to

7 the same conditions, restrictions, limitations, penalties and
8 definition of terms, and (iii) employ the same modes of
9 procedure as are set forth in Sections 2 (except that that
10 reference to State in the definition of supplier maintaining a
11 place of business in this State means the county), 2a through
12 2d, 3 through 3-50 (in respect to all provisions contained in
13 those Sections other than the State rate of tax), 4 (except
14 that the reference to the State shall be to the county), 5, 7,
15 8 (except that the jurisdiction to which the tax is a debt to
16 the extent indicated in that Section 8 is the county), 9
17 (except as to the disposition of taxes and penalties
18 collected, and except that the retailer's discount is not
19 allowed for taxes paid on aviation fuel that are subject to the
20 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
21 47133), 10, 11, 12 (except the reference therein to Section 2b
22 of the Retailers' Occupation Tax Act), 13 (except that any
23 reference to the State means the county), 15, 16, 17, 18, 19,
24 and 20 of the Service Occupation Tax Act and all provisions of
25 the Uniform Penalty and Interest Act, as fully as if those
26 provisions were set forth herein.

1 Persons subject to any tax imposed under the authority
2 granted in this subsection may reimburse themselves for their
3 serviceman's tax liability by separately stating the tax as an
4 additional charge, which may be stated in combination, in a
5 single amount, with State tax that servicemen are authorized
6 to collect under the Service Use Tax Act, pursuant to any
7 bracketed schedules set forth by the Department.

8 (b-5) If, on January 1, 2025, a unit of local government
9 has in effect a tax under this Section, or if, after January 1,
10 2025, a unit of local government imposes a tax under this
11 Section, then that tax applies to leases of tangible personal
12 property in effect, entered into, or renewed on or after that
13 date in the same manner as the tax under this Section and in
14 accordance with the changes made by this amendatory Act of the
15 103rd General Assembly.

16 (c) The tax under this Section may not be imposed until the
17 question of imposing the tax has been submitted to the
18 electors of the county at a regular election and approved by a

19 majority of the electors voting on the question. For all
20 regular elections held prior to August 23, 2011 (the effective
21 date of Public Act 97-542), upon a resolution by the county
22 board or a resolution by school district boards that represent
23 at least 51% of the student enrollment within the county, the
24 county board must certify the question to the proper election
25 authority in accordance with the Election Code.
26 For all regular elections held prior to August 23, 2011

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1 (the effective date of Public Act 97-542), the election
2 authority must submit the question in substantially the
3 following form:

4 Shall (name of county) be authorized to impose a
5 retailers' occupation tax and a service occupation tax
6 (commonly referred to as a "sales tax") at a rate of
7 (insert rate) to be used exclusively for school facility
8 purposes?

9 The election authority must record the votes as "Yes" or
10 "No".

11 If a majority of the electors voting on the question vote
12 in the affirmative, then the county may, thereafter, impose
13 the tax.

14 For all regular elections held on or after August 23, 2011
15 (the effective date of Public Act 97-542), the regional
16 superintendent of schools for the county must, upon receipt of
17 a resolution or resolutions of school district boards that
18 represent more than 50% of the student enrollment within the
19 county, certify the question to the proper election authority
20 for submission to the electors of the county at the next
21 regular election at which the question lawfully may be
22 submitted to the electors, all in accordance with the Election
23 Code.

24 For all regular elections held on or after August 23, 2011
25 (the effective date of Public Act 97-542) and before August
26 23, 2019 (the effective date of Public Act 101-455), the

1 election authority must submit the question in substantially
2 the following form:

3 Shall a retailers' occupation tax and a service
4 occupation tax (commonly referred to as a "sales tax") be
5 imposed in (name of county) at a rate of (insert rate) to
6 be used exclusively for school facility purposes?

7 The election authority must record the votes as "Yes" or
8 "No".

9 If a majority of the electors voting on the question vote
10 in the affirmative, then the tax shall be imposed at the rate
11 set forth in the question.

12 For all regular elections held on or after August 23, 2019
13 (the effective date of Public Act 101-455), the election
14 authority must submit the question as follows:

15 (1) If the referendum is to expand the use of revenues
16 from a currently imposed tax exclusively for school
17 facility purposes to include school resource officers and
18 mental health professionals, the question shall be in
19 substantially the following form:

20 In addition to school facility purposes, shall
21 (name of county) school districts be authorized to use
22 revenues from the tax commonly referred to as the
23 school facility sales tax that is currently imposed in
24 (name of county) at a rate of (insert rate) for school
25 resource officers and mental health professionals?

26 (2) If the referendum is to increase the rate of a tax

1 currently imposed exclusively for school facility purposes
2 at less than 1% and dedicate the additional revenues for
3 school resource officers and mental health professionals,
4 the question shall be in substantially the following form:

5 Shall the tax commonly referred to as the school
6 facility sales tax that is currently imposed in (name
7 of county) at the rate of (insert rate) be increased to
8 a rate of (insert rate) with the additional revenues
9 used exclusively for school resource officers and
10 mental health professionals?

11 (3) If the referendum is to impose a tax in a county
12 that has not previously imposed a tax under this Section
13 exclusively for school facility purposes, the question
14 shall be in substantially the following form:

15 Shall a retailers' occupation tax and a service
16 occupation tax (commonly referred to as a sales tax)
17 be imposed in (name of county) at a rate of (insert
18 rate) to be used exclusively for school facility
19 purposes?

20 (4) If the referendum is to impose a tax in a county
21 that has not previously imposed a tax under this Section
22 exclusively for school resource officers and mental health
23 professionals, the question shall be in substantially the
24 following form:

25 Shall a retailers' occupation tax and a service
26 occupation tax (commonly referred to as a sales tax)

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1 be imposed in (name of county) at a rate of (insert
2 rate) to be used exclusively for school resource
3 officers and mental health professionals?

4 (5) If the referendum is to impose a tax in a county
5 that has not previously imposed a tax under this Section
6 exclusively for school facility purposes, school resource
7 officers, and mental health professionals, the question
8 shall be in substantially the following form:

9 Shall a retailers' occupation tax and a service
10 occupation tax (commonly referred to as a sales tax)
11 be imposed in (name of county) at a rate of (insert
12 rate) to be used exclusively for school facility
13 purposes, school resource officers, and mental health
14 professionals?

15 The election authority must record the votes as "Yes" or
16 "No".

17 If a majority of the electors voting on the question vote
18 in the affirmative, then the tax shall be imposed at the rate
19 set forth in the question.

20 For the purposes of this subsection (c), "enrollment"
21 means the head count of the students residing in the county on
22 the last school day of September of each year, which must be

23 reported on the Illinois State Board of Education Public
24 School Fall Enrollment/Housing Report.
25 (d) Except as otherwise provided, the Department shall
26 immediately pay over to the State Treasurer, ex officio, as

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1 trustee, all taxes and penalties collected under this Section
2 to be deposited into the School Facility Occupation Tax Fund,
3 which shall be an unappropriated trust fund held outside the
4 State treasury. Taxes and penalties collected on aviation fuel
5 sold on or after December 1, 2019 and through December 31,
6 2020, shall be immediately paid over by the Department to the
7 State Treasurer, ex officio, as trustee, for deposit into the
8 Local Government Aviation Trust Fund. The Department shall
9 only pay moneys into the Local Government Aviation Trust Fund
10 under this Section for so long as the revenue use requirements
11 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
12 county.

13 On or before the 25th day of each calendar month, the
14 Department shall prepare and certify to the Comptroller the
15 disbursement of stated sums of money to the regional
16 superintendents of schools in counties from which retailers or
17 servicemen have paid taxes or penalties to the Department
18 during the second preceding calendar month. The amount to be
19 paid to each regional superintendent of schools and disbursed
20 to him or her in accordance with Section 3-14.31 of the School
21 Code, is equal to the amount (not including credit memoranda
22 and not including taxes and penalties collected on aviation
23 fuel sold on or after December 1, 2019 and through December 31,
24 2020) collected from the county under this Section during the
25 second preceding calendar month by the Department, (i) less 2%
26 of that amount (except the amount collected on aviation fuel

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1 sold on or after December 1, 2019 and through December 31,
2 2020), of which 50% shall be deposited into the Tax Compliance

3 and Administration Fund and shall be used by the Department,
4 subject to appropriation, to cover the costs of the Department
5 in administering and enforcing the provisions of this Section,
6 on behalf of the county, and 50% shall be distributed to the
7 regional superintendent of schools to cover the costs in
8 administering and enforcing the provisions of this Section;
9 (ii) plus an amount that the Department determines is
10 necessary to offset any amounts that were erroneously paid to
11 a different taxing body; (iii) less an amount equal to the
12 amount of refunds made during the second preceding calendar
13 month by the Department on behalf of the county; and (iv) less
14 any amount that the Department determines is necessary to
15 offset any amounts that were payable to a different taxing
16 body but were erroneously paid to the county. When certifying
17 the amount of a monthly disbursement to a regional
18 superintendent of schools under this Section, the Department
19 shall increase or decrease the amounts by an amount necessary
20 to offset any miscalculation of previous disbursements within
21 the previous 6 months from the time a miscalculation is
22 discovered.

23 Within 10 days after receipt by the Comptroller from the
24 Department of the disbursement certification to the regional
25 superintendents of the schools provided for in this Section,
26 the Comptroller shall cause the orders to be drawn for the

1 respective amounts in accordance with directions contained in
2 the certification.

3 If the Department determines that a refund should be made
4 under this Section to a claimant instead of issuing a credit
5 memorandum, then the Department shall notify the Comptroller,
6 who shall cause the order to be drawn for the amount specified
7 and to the person named in the notification from the
8 Department. The refund shall be paid by the Treasurer out of
9 the School Facility Occupation Tax Fund or the Local
10 Government Aviation Trust Fund, as appropriate.

11 (e) For the purposes of determining the local governmental
12 unit whose tax is applicable, a retail sale by a producer of
13 coal or another mineral mined in Illinois is a sale at retail
14 at the place where the coal or other mineral mined in Illinois

15 is extracted from the earth. This subsection does not apply to
16 coal or another mineral when it is delivered or shipped by the
17 seller to the purchaser at a point outside Illinois so that the
18 sale is exempt under the United States Constitution as a sale
19 in interstate or foreign commerce.

20 (f) Nothing in this Section may be construed to authorize
21 a tax to be imposed upon the privilege of engaging in any
22 business that under the Constitution of the United States may
23 not be made the subject of taxation by this State.

24 (g) If a county board imposes a tax under this Section
25 pursuant to a referendum held before August 23, 2011 (the
26 effective date of Public Act 97-542) at a rate below the rate

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1 set forth in the question approved by a majority of electors of
2 that county voting on the question as provided in subsection
3 (c), then the county board may, by ordinance, increase the
4 rate of the tax up to the rate set forth in the question
5 approved by a majority of electors of that county voting on the
6 question as provided in subsection (c). If a county board
7 imposes a tax under this Section pursuant to a referendum held
8 before August 23, 2011 (the effective date of Public Act
9 97-542), then the board may, by ordinance, discontinue or
10 reduce the rate of the tax. If a tax is imposed under this
11 Section pursuant to a referendum held on or after August 23,
12 2011 (the effective date of Public Act 97-542) and before
13 August 23, 2019 (the effective date of Public Act 101-455),
14 then the county board may reduce or discontinue the tax, but
15 only in accordance with subsection (h-5) of this Section. If a
16 tax is imposed under this Section pursuant to a referendum
17 held on or after August 23, 2019 (the effective date of Public
18 Act 101-455), then the county board may reduce or discontinue
19 the tax, but only in accordance with subsection (h-10). If,
20 however, a school board issues bonds that are secured by the
21 proceeds of the tax under this Section, then the county board
22 may not reduce the tax rate or discontinue the tax if that rate
23 reduction or discontinuance would adversely affect the school
24 board's ability to pay the principal and interest on those
25 bonds as they become due or necessitate the extension of
26 additional property taxes to pay the principal and interest on

1 those bonds. If the county board reduces the tax rate or
2 discontinues the tax, then a referendum must be held in
3 accordance with subsection (c) of this Section in order to
4 increase the rate of the tax or to reimpose the discontinued
5 tax.

6 Until January 1, 2014, the results of any election that
7 imposes, reduces, or discontinues a tax under this Section
8 must be certified by the election authority, and any ordinance
9 that increases or lowers the rate or discontinues the tax must
10 be certified by the county clerk and, in each case, filed with
11 the Illinois Department of Revenue either (i) on or before the
12 first day of April, whereupon the Department shall proceed to
13 administer and enforce the tax or change in the rate as of the
14 first day of July next following the filing; or (ii) on or
15 before the first day of October, whereupon the Department
16 shall proceed to administer and enforce the tax or change in
17 the rate as of the first day of January next following the
18 filing.

19 Beginning January 1, 2014, the results of any election
20 that imposes, reduces, or discontinues a tax under this
21 Section must be certified by the election authority, and any
22 ordinance that increases or lowers the rate or discontinues
23 the tax must be certified by the county clerk and, in each
24 case, filed with the Illinois Department of Revenue either (i)
25 on or before the first day of May, whereupon the Department
26 shall proceed to administer and enforce the tax or change in

1 the rate as of the first day of July next following the filing;
2 or (ii) on or before the first day of October, whereupon the
3 Department shall proceed to administer and enforce the tax or
4 change in the rate as of the first day of January next
5 following the filing.

6 (h) For purposes of this Section, "school facility

7 purposes" means (i) the acquisition, development,
8 construction, reconstruction, rehabilitation, improvement,
9 financing, architectural planning, and installation of capital
10 facilities consisting of buildings, structures, and durable
11 equipment and for the acquisition and improvement of real
12 property and interest in real property required, or expected
13 to be required, in connection with the capital facilities and
14 (ii) the payment of bonds or other obligations heretofore or
15 hereafter issued, including bonds or other obligations
16 heretofore or hereafter issued to refund or to continue to
17 refund bonds or other obligations issued, for school facility
18 purposes, provided that the taxes levied to pay those bonds
19 are abated by the amount of the taxes imposed under this
20 Section that are used to pay those bonds. "School facility
21 purposes" also includes fire prevention, safety, energy
22 conservation, accessibility, school security, and specified
23 repair purposes set forth under Section 17-2.11 of the School
24 Code.

25 (h-5) A county board in a county where a tax has been
26 imposed under this Section pursuant to a referendum held on or

1 after August 23, 2011 (the effective date of Public Act
2 97-542) and before August 23, 2019 (the effective date of
3 Public Act 101-455) may, by ordinance or resolution, submit to
4 the voters of the county the question of reducing or
5 discontinuing the tax. In the ordinance or resolution, the
6 county board shall certify the question to the proper election
7 authority in accordance with the Election Code. The election
8 authority must submit the question in substantially the
9 following form:

10 Shall the school facility retailers' occupation tax
11 and service occupation tax (commonly referred to as the
12 "school facility sales tax") currently imposed in (name of
13 county) at a rate of (insert rate) be (reduced to (insert
14 rate))(discontinued)?

15 If a majority of the electors voting on the question vote in
16 the affirmative, then, subject to the provisions of subsection
17 (g) of this Section, the tax shall be reduced or discontinued
18 as set forth in the question.

19 (h-10) A county board in a county where a tax has been
20 imposed under this Section pursuant to a referendum held on or
21 after August 23, 2019 (the effective date of Public Act
22 101-455) may, by ordinance or resolution, submit to the voters
23 of the county the question of reducing or discontinuing the
24 tax. In the ordinance or resolution, the county board shall
25 certify the question to the proper election authority in
26 accordance with the Election Code. The election authority must

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1 submit the question in substantially the following form:

2 Shall the school facility and resources retailers'
3 occupation tax and service occupation tax (commonly
4 referred to as the school facility and resources sales
5 tax) currently imposed in (name of county) at a rate of
6 (insert rate) be (reduced to (insert rate))
7 (discontinued)?

8 The election authority must record the votes as "Yes" or
9 "No".

10 If a majority of the electors voting on the question vote
11 in the affirmative, then, subject to the provisions of
12 subsection (g) of this Section, the tax shall be reduced or
13 discontinued as set forth in the question.

14 (i) This Section does not apply to Cook County.

15 (j) This Section may be cited as the County School
16 Facility and Resources Occupation Tax Law.

17 (Source: P.A. 102-700, eff. 4-19-22; 102-1062, eff. 7-1-22;
18 103-154, eff. 6-30-23; 103-592, eff. 1-1-25.)

19 (55 ILCS 5/5-1006.8)

20 Sec. 5-1006.8. County Cannabis Retailers' Occupation Tax
21 Law.

22 (a) This Section may be referred to as the County Cannabis
23 Retailers' Occupation Tax Law. The corporate authorities of
24 any county may, by ordinance, impose a tax upon all persons
25 engaged in the business of selling cannabis, other than

1 cannabis purchased under the Compassionate Use of Medical
2 Cannabis Program Act, at retail in the county on the gross
3 receipts from these sales made in the course of that business.
4 If imposed, the tax shall be imposed only in 0.25% increments.
5 The tax rate may not exceed: (i) 3.75% of the gross receipts of
6 sales made in unincorporated areas of the county; and (ii) 3%
7 of the gross receipts of sales made in a municipality located
8 in the county. The tax imposed under this Section and all civil
9 penalties that may be assessed as an incident of the tax shall
10 be collected and enforced by the Department of Revenue. The
11 Department of Revenue shall have full power to administer and
12 enforce this Section; to collect all taxes and penalties due
13 hereunder; to dispose of taxes and penalties so collected in
14 the manner hereinafter provided; and to determine all rights
15 to credit memoranda arising on account of the erroneous
16 payment of tax or penalty under this Section. In the
17 administration of and compliance with this Section, the
18 Department of Revenue and persons who are subject to this
19 Section shall have the same rights, remedies, privileges,
20 immunities, powers and duties, and be subject to the same
21 conditions, restrictions, limitations, penalties, and
22 definitions of terms, and employ the same modes of procedure,
23 as are described in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
24 1n, 2 through 2-65 (in respect to all provisions therein other
25 than the State rate of tax), 2a, 2b, 2c, 2i, 3 (except as to
26 the disposition of taxes and penalties collected), 4, 5, 5a,

1 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b
2 ~~6b~~, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
3 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
4 Interest Act as fully as if those provisions were set forth in
5 this Section.
6 (b) Persons subject to any tax imposed under the authority
7 granted in this Section may reimburse themselves for their
8 seller's tax liability hereunder by separately stating that
9 tax as an additional charge, which charge may be stated in
10 combination, in a single amount, with any State tax that

11 sellers are required to collect.

12 (c) Whenever the Department of Revenue determines that a
13 refund should be made under this Section to a claimant instead
14 of issuing a credit memorandum, the Department of Revenue
15 shall notify the State Comptroller, who shall cause the order
16 to be drawn for the amount specified and to the person named in
17 the notification from the Department of Revenue.

18 (d) The Department of Revenue shall immediately pay over
19 to the State Treasurer, ex officio, as trustee, all taxes and
20 penalties collected hereunder for deposit into the Local
21 Cannabis Retailers' Occupation Tax Trust Fund.

22 (e) On or before the 25th day of each calendar month, the
23 Department of Revenue shall prepare and certify to the
24 Comptroller the amount of money to be disbursed from the Local
25 Cannabis Retailers' Occupation Tax Trust Fund to counties from
26 which retailers have paid taxes or penalties under this

1 Section during the second preceding calendar month. The amount
2 to be paid to each county shall be the amount (not including
3 credit memoranda) collected under this Section from sales made
4 in the county during the second preceding calendar month, plus
5 an amount the Department of Revenue determines is necessary to
6 offset any amounts that were erroneously paid to a different
7 taxing body, and not including an amount equal to the amount of
8 refunds made during the second preceding calendar month by the
9 Department on behalf of such county, and not including any
10 amount that the Department determines is necessary to offset
11 any amounts that were payable to a different taxing body but
12 were erroneously paid to the county, less 1.5% of the
13 remainder, which the Department shall transfer into the Tax
14 Compliance and Administration Fund. The Department, at the
15 time of each monthly disbursement to the counties, shall
16 prepare and certify the State Comptroller the amount to be
17 transferred into the Tax Compliance and Administration Fund
18 under this Section. Within 10 days after receipt by the
19 Comptroller of the disbursement certification to the counties
20 and the Tax Compliance and Administration Fund provided for in
21 this Section to be given to the Comptroller by the Department,
22 the Comptroller shall cause the orders to be drawn for the

23 respective amounts in accordance with the directions contained
24 in the certification.

25 (f) An ordinance or resolution imposing or discontinuing a
26 tax under this Section or effecting a change in the rate

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1 thereof that is adopted on or after June 25, 2019 (the
2 effective date of Public Act 101-27) and for which a certified
3 copy is filed with the Department on or before April 1, 2020
4 shall be administered and enforced by the Department beginning
5 on July 1, 2020. For ordinances filed with the Department
6 after April 1, 2020, an ordinance or resolution imposing or
7 discontinuing a tax under this Section or effecting a change
8 in the rate thereof shall either (i) be adopted and a certified
9 copy thereof filed with the Department on or before the first
10 day of April, whereupon the Department shall proceed to
11 administer and enforce this Section as of the first day of July
12 next following the adoption and filing; or (ii) be adopted and
13 a certified copy thereof filed with the Department on or
14 before the first day of October, whereupon the Department
15 shall proceed to administer and enforce this Section as of the
16 first day of January next following the adoption and filing.

17 (g) Notwithstanding any provision in this Section to the
18 contrary, if an ordinance or resolution imposing a tax under
19 this Section was adopted on or before October 1, 2020 and a
20 certified copy thereof was filed with the Department of
21 Revenue on or before November 1, 2020, then the Department
22 shall proceed to administer and enforce this Section as of May
23 1, 2021 for such ordinances or resolutions.

24 (Source: P.A. 101-27, eff. 6-25-19; 101-363, eff. 8-9-19;
25 101-593, eff. 12-4-19; 102-2, eff. 4-2-21.)

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1 (55 ILCS 5/5-1006.9)

2 Sec. 5-1006.9. County Grocery Occupation Tax Law.

3 (a) The corporate authorities of any county may, by
4 ordinance or resolution that takes effect on or after January
5 1, 2026, impose a tax upon all persons engaged in the business
6 of selling groceries at retail in the county, but outside of
7 any municipality, on the gross receipts from those sales made
8 in the course of that business. If imposed, the tax shall be at
9 the rate of 1% of the gross receipts from these sales.

10 The tax imposed by a county under this subsection and all
11 civil penalties that may be assessed as an incident of the tax
12 shall be collected and enforced by the Department. The
13 certificate of registration that is issued by the Department
14 to a retailer under the Retailers' Occupation Tax Act shall
15 permit the retailer to engage in a business that is taxable
16 under any ordinance or resolution enacted under this
17 subsection without registering separately with the Department
18 under that ordinance or resolution or under this subsection.

19 The Department shall have full power to administer and
20 enforce this subsection; to collect all taxes and penalties
21 due under this subsection; to dispose of taxes and penalties
22 so collected in the manner provided in this Section and under
23 rules adopted by the Department; and to determine all rights
24 to credit memoranda arising on account of the erroneous
25 payment of tax or penalty under this subsection.

26 In the administration of, and compliance with, this

1 subsection, the Department and persons who are subject to this
2 subsection shall have the same rights, remedies, privileges,
3 immunities, powers, and duties, and be subject to the same
4 conditions, restrictions, limitations, penalties and
5 definitions of terms, and employ the same modes of procedure,
6 as are prescribed in Sections 1, 2 through 2-65 (in respect to
7 all provisions therein other than the State rate of tax and
8 other than the exemption for food for human consumption that
9 is to be consumed off the premises where it is sold (other than
10 alcoholic liquor taxable under Section 8-1 of the Liquor
11 Control Act of 1934 ~~beverages~~, food consisting of or infused
12 with adult use cannabis, soft drinks, candy, and food that has
13 been prepared for immediate consumption), which is authorized
14 to be taxed as provided in this subsection), 2c, 3 (except as

15 to the disposition of taxes and penalties collected), 4, 5,
16 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
17 10, 11, 11a, 12 and 13 of the Retailers' Occupation Tax Act and
18 all of the Uniform Penalty and Interest Act, as fully as if
19 those provisions were set forth in this Section.

20 Persons subject to any tax imposed under the authority
21 granted in this subsection may reimburse themselves for their
22 seller's tax liability hereunder by separately stating that
23 tax as an additional charge, which charge may be stated in
24 combination, in a single amount, with State tax that sellers
25 are required to collect under the Use Tax Act, pursuant to such
26 bracket schedules as the Department may prescribe.

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1 (b) If a tax has been imposed under subsection (a), then a
2 service occupation tax must also be imposed ~~at the same rate~~
3 upon all persons engaged, in the county but outside of a
4 municipality, in the business of making sales of service, at
5 the same rate of tax imposed under subsection (a), on the
6 selling price of all ~~who, as an incident to making those sales~~
7 ~~of service, transfer~~ groceries, as defined in this Section,
8 transferred by the serviceman as an incident to a sale of
9 service.

10 The tax imposed under this subsection and all civil
11 penalties that may be assessed as an incident thereof shall be
12 collected and enforced by the Department. The certificate of
13 registration that is issued by the Department to a retailer
14 under the Retailers' Occupation Tax Act or the Service
15 Occupation Tax Act shall permit the registrant to engage in a
16 business that is taxable under any ordinance or resolution
17 enacted pursuant to this subsection without registering
18 separately with the Department under the ordinance or
19 resolution or under this subsection.

20 The Department shall have full power to administer and
21 enforce this subsection, to collect all taxes and penalties
22 due under this subsection, to dispose of taxes and penalties
23 so collected in the manner provided in this Section and under
24 rules adopted by the Department, and to determine all rights
25 to credit memoranda arising on account of the erroneous
26 payment of a tax or penalty under this subsection.

1 In the administration of and compliance with this
2 subsection, the Department and persons who are subject to this
3 subsection shall have the same rights, remedies, privileges,
4 immunities, powers and duties, and be subject to the same
5 conditions, restrictions, limitations, penalties and
6 definitions of terms, and employ the same modes of procedure
7 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
8 to all provisions contained in those Sections other than: (i)
9 the State rate of tax; (ii) the exemption for food for human
10 consumption that is to be consumed off the premises where it is
11 sold (other than alcoholic liquor taxable under Section 8-1 of
12 the Liquor Control Act of 1934 beverages, food consisting of
13 or infused with adult use cannabis, soft drinks, candy, and
14 food that has been prepared for immediate consumption), which
15 is authorized to be taxed as provided in this subsection; and
16 (iii) the exemption for food prepared for immediate
17 consumption and transferred incident to a sale of service
18 subject to the Service Occupation Tax Act or the Service Use
19 Tax Act by an entity licensed under the Hospital Licensing
20 Act, the Nursing Home Care Act, the Assisted Living and Shared
21 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
22 Specialized Mental Health Rehabilitation Act of 2013, or the
23 Child Care Act of 1969, or an entity that holds a permit issued
24 pursuant to the Life Care Facilities Act, which is authorized
25 to be taxed as provided in this subsection), 4, 5, 7, 8, 9
26 (except as to the disposition of taxes and penalties

1 collected), 10, 11, 12, 13, 15, 16, 17, 18, 19, and 20 of the
2 Service Occupation Tax Act and all provisions of the Uniform
3 Penalty and Interest Act, as fully as if those provisions were
4 set forth in this Section.
5 Persons subject to any tax imposed under the authority
6 granted in this subsection may reimburse themselves for their

7 serviceman's tax liability by separately stating the tax as an
8 additional charge, which may be stated in combination, in a
9 single amount, with State tax that servicemen are authorized
10 to collect under the Service Use Tax Act, pursuant to any
11 bracketed schedules set forth by the Department.

12 (c) The Department shall immediately pay over to the State
13 Treasurer, ex officio, as trustee, all taxes and penalties
14 collected under this Section. Those taxes and penalties shall
15 be deposited into the County Grocery Tax Trust Fund, a trust
16 fund created in the State treasury. Except as otherwise
17 provided in this Section, moneys in the County Grocery Tax
18 Trust Fund shall be used to make payments to counties and for
19 the payment of refunds under this Section.

20 Moneys deposited into the County Grocery Tax Trust Fund
21 under this Section are not subject to appropriation and shall
22 be used as provided in this Section. All deposits into the
23 County Grocery Tax Trust Fund shall be held in the County
24 Grocery Tax Trust Fund by the State Treasurer, ex officio, as
25 trustee separate and apart from all public moneys or funds of
26 this State.

1 Whenever the Department determines that a refund should be
2 made under this Section to a claimant instead of issuing a
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the order to be drawn for the
5 amount specified and to the person named in the notification
6 from the Department. The refund shall be paid by the State
7 Treasurer out of the County Grocery Tax Trust Fund.

8 (d) As soon as possible after the first day of each month,
9 upon certification of the Department, the Comptroller shall
10 order transferred, and the Treasurer shall transfer, to the
11 STAR Bonds Revenue Fund the local sales tax increment, if any,
12 as defined in the Innovation Development and Economy Act,
13 collected under this Section.

14 After the monthly transfer to the STAR Bonds Revenue Fund,
15 if any, on or before the 25th day of each calendar month, the
16 Department shall prepare and certify to the Comptroller the
17 disbursement of stated sums of money to named counties, the
18 counties to be those from which retailers have paid taxes or

19 penalties under this Section to the Department during the
20 second preceding calendar month. The amount to be paid to each
21 county shall be the amount (not including credit memoranda)
22 collected under this Section during the second preceding
23 calendar month by the Department plus an amount the Department
24 determines is necessary to offset any amounts that were
25 erroneously paid to a different taxing body, and not including
26 an amount equal to the amount of refunds made during the second

1 preceding calendar month by the Department on behalf of such
2 county, and not including any amount that the Department
3 determines is necessary to offset any amounts that were
4 payable to a different taxing body but were erroneously paid
5 to the county, and not including any amounts that are
6 transferred to the STAR Bonds Revenue Fund. Within 10 days
7 after receipt by the Comptroller of the disbursement
8 certification to the counties provided for in this Section to
9 be given to the Comptroller by the Department, the Comptroller
10 shall cause the orders to be drawn for the amounts in
11 accordance with the directions contained in the certification.

12 (e) Nothing in this Section shall be construed to
13 authorize a county to impose a tax upon the privilege of
14 engaging in any business which under the Constitution of the
15 United States may not be made the subject of taxation by this
16 State.

17 (f) Except as otherwise provided in this subsection, an
18 ordinance or resolution imposing or discontinuing the tax
19 hereunder or effecting a change in the rate thereof shall
20 either (i) be adopted and a certified copy thereof filed with
21 the Department on or before the first day of April, whereupon
22 the Department shall proceed to administer and enforce this
23 Section as of the first day of July next following the adoption
24 and filing, or (ii) be adopted and a certified copy thereof
25 filed with the Department on or before the first day of
26 October, whereupon the Department shall proceed to administer

1 and enforce this Section as of the first day of January next
2 following the adoption and filing.

3 (g) When certifying the amount of a monthly disbursement
4 to a county under this Section, the Department shall increase
5 or decrease the amount by an amount necessary to offset any
6 misallocation of previous disbursements. The offset amount
7 shall be the amount erroneously disbursed within the previous
8 6 months from the time a misallocation is discovered.

9 (h) As used in this Section, "Department" means the
10 Department of Revenue.

11 For purposes of the tax authorized to be imposed under
12 subsection (a), "groceries" has the same meaning as "food for
13 human consumption that is to be consumed off the premises
14 where it is sold (other than alcoholic liquor taxable under
15 Section 8-1 of the Liquor Control Act of 1934 ~~beverages~~, food
16 consisting of or infused with adult use cannabis, soft drinks,
17 candy, and food that has been prepared for immediate
18 consumption)", as further defined in Section 2-10 of the
19 Retailers' Occupation Tax Act.

20 For purposes of the tax authorized to be imposed under
21 subsection (b), "groceries" has the same meaning as "food for
22 human consumption that is to be consumed off the premises
23 where it is sold (other than alcoholic liquor taxable under
24 Section 8-1 of the Liquor Control Act of 1934 ~~beverages~~, food
25 consisting of or infused with adult use cannabis, soft drinks,
26 candy, and food that has been prepared for immediate

1 consumption)", as further defined in Section 3-10 of the
2 Service Occupation Tax Act.

3 For purposes of the tax authorized to be imposed under
4 subsection (b), "groceries" also means food prepared for
5 immediate consumption and transferred incident to a sale of
6 service subject to the Service Occupation Tax Act or the
7 Service Use Tax Act by an entity licensed under the Hospital
8 Licensing Act, the Nursing Home Care Act, the Assisted Living
9 and Shared Housing Act, the ID/DD Community Care Act, the
10 MC/DD Act, the Specialized Mental Health Rehabilitation Act of

11 2013, or the Child Care Act of 1969, or an entity that holds a
12 permit issued pursuant to the Life Care Facilities Act.

13 (i) This Section may be referred to as the County Grocery
14 Occupation Tax Law.

15 (Source: P.A. 103-781, eff. 8-5-24; 104-6, eff. 1-1-26.)

16 (55 ILCS 5/5-1008.5)

17 Sec. 5-1008.5. Use and occupation taxes.

18 (a) The Rock Island County Board may adopt a resolution
19 that authorizes a referendum on the question of whether the
20 county shall be authorized to impose a retailers' occupation
21 tax, a service occupation tax, and a use tax at a rate of 1/4
22 of 1% on behalf of the economic development activities of Rock
23 Island County and communities located within the county. The
24 county board shall certify the question to the proper election
25 authorities who shall submit the question to the voters of the

1 county at the next regularly scheduled election in accordance
2 with the general election law. The question shall be in
3 substantially the following form:

4 Shall Rock Island County be authorized to impose a
5 retailers' occupation tax, a service occupation tax, and a
6 use tax at the rate of 1/4 of 1% for the sole purpose of
7 economic development activities, including creation and
8 retention of job opportunities, support of affordable
9 housing opportunities, and enhancement of quality of life
10 improvements?

11 Votes shall be recorded as "yes" or "no". If a majority of
12 all votes cast on the proposition are in favor of the
13 proposition, the county is authorized to impose the tax.

14 (b) The county shall impose the retailers' occupation tax
15 upon all persons engaged in the business of selling tangible
16 personal property at retail in the county, at the rate
17 approved by referendum, on the gross receipts from the sales
18 made in the course of those businesses within the county. This
19 additional tax may not be imposed on tangible personal
20 property taxed at the 1% rate under the Retailers' Occupation
21 Tax Act. Beginning December 1, 2019, this tax is not imposed on
22 sales of aviation fuel unless the tax revenue is expended for

23 airport-related purposes. If the county does not have an
24 airport-related purpose to which it dedicates aviation fuel
25 tax revenue, then aviation fuel is excluded from the tax. The
26 county must comply with the certification requirements for

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1 airport-related purposes under Section 2-22 of the Retailers'
2 Occupation Tax Act. For purposes of this Section,
3 "airport-related purposes" has the meaning ascribed in Section
4 6z-20.2 of the State Finance Act. This exclusion for aviation
5 fuel only applies for so long as the revenue use requirements
6 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
7 county. The tax imposed under this Section and all civil
8 penalties that may be assessed as an incident of the tax shall
9 be collected and enforced by the Department of Revenue. The
10 Department has full power to administer and enforce this
11 Section; to collect all taxes and penalties so collected in
12 the manner provided in this Section; and to determine all
13 rights to credit memoranda arising on account of the erroneous
14 payment of tax or penalty under this Section. In the
15 administration of, and compliance with, this Section, the
16 Department and persons who are subject to this Section shall
17 (i) have the same rights, remedies, privileges, immunities,
18 powers and duties, (ii) be subject to the same conditions,
19 restrictions, limitations, penalties, exclusions, exemptions,
20 and definitions of terms, and (iii) employ the same modes of
21 procedure as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,
22 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to
23 all provisions other than the State rate of tax), 2-15 through
24 2-70, 2a, 2b, 2c, 3 (except as to the disposition of taxes and
25 penalties collected and provisions related to quarter monthly
26 payments, and except that the retailer's discount is not

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1 allowed for taxes paid on aviation fuel that are subject to the
2 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.

3 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 5m,
4 5n, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the
5 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
6 Penalty and Interest Act, as fully as if those provisions were
7 set forth in this subsection.

8 Persons subject to any tax imposed under this subsection
9 may reimburse themselves for their seller's tax liability by
10 separately stating the tax as an additional charge, which
11 charge may be stated in combination, in a single amount, with
12 State taxes that sellers are required to collect, in
13 accordance with bracket schedules prescribed by the
14 Department.

15 Whenever the Department determines that a refund should be
16 made under this subsection to a claimant instead of issuing a
17 credit memorandum, the Department shall notify the State
18 Comptroller, who shall cause the warrant to be drawn for the
19 amount specified, and to the person named, in the notification
20 from the Department. The refund shall be paid by the State
21 Treasurer out of the tax fund referenced under paragraph (g)
22 of this Section or the Local Government Aviation Trust Fund,
23 as appropriate.

24 If a tax is imposed under this subsection (b), a tax shall
25 also be imposed at the same rate under subsections (c) and (d)
26 of this Section.

1 For the purpose of determining whether a tax authorized
2 under this Section is applicable, a retail sale, by a producer
3 of coal or another mineral mined in Illinois, is a sale at
4 retail at the place where the coal or other mineral mined in
5 Illinois is extracted from the earth. This paragraph does not
6 apply to coal or another mineral when it is delivered or
7 shipped by the seller to the purchaser at a point outside
8 Illinois so that the sale is exempt under the federal
9 Constitution as a sale in interstate or foreign commerce.

10 Nothing in this Section shall be construed to authorize
11 the county to impose a tax upon the privilege of engaging in
12 any business that under the Constitution of the United States
13 may not be made the subject of taxation by this State.

14 (c) If a tax has been imposed under subsection (b), a

15 service occupation tax shall also be imposed at the same rate
16 upon all persons engaged, in the county, in the business of
17 making sales of service, who, as an incident to making those
18 sales of service, transfer tangible personal property within
19 the county as an incident to a sale of service. This additional
20 tax may not be imposed on tangible personal property taxed at
21 the 1% rate under the Service Occupation Tax Act. Beginning
22 December 1, 2019, this tax is not imposed on sales of aviation
23 fuel unless the tax revenue is expended for airport-related
24 purposes. If the county does not have an airport-related
25 purpose to which it dedicates aviation fuel tax revenue, then
26 aviation fuel is excluded from the tax. The county must comply

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1 with the certification requirements for airport-related
2 purposes under Section 2-22 of the Retailers' Occupation Tax
3 Act. For purposes of this Section, "airport-related purposes"
4 has the meaning ascribed in Section 6z-20.2 of the State
5 Finance Act. This exclusion for aviation fuel only applies for
6 so long as the revenue use requirements of 49 U.S.C. 47107(b)
7 and 49 U.S.C. 47133 are binding on the county. The tax imposed
8 under this subsection and all civil penalties that may be
9 assessed as an incident of the tax shall be collected and
10 enforced by the Department of Revenue. The Department has full
11 power to administer and enforce this paragraph; to collect all
12 taxes and penalties due under this Section; to dispose of
13 taxes and penalties so collected in the manner provided in
14 this Section; and to determine all rights to credit memoranda
15 arising on account of the erroneous payment of tax or penalty
16 under this Section. In the administration of, and compliance
17 with this paragraph, the Department and persons who are
18 subject to this paragraph shall (i) have the same rights,
19 remedies, privileges, immunities, powers, and duties, (ii) be
20 subject to the same conditions, restrictions, limitations,
21 penalties, exclusions, exemptions, and definitions of terms,
22 and (iii) employ the same modes of procedure as are prescribed
23 in Sections 2 (except that the reference to State in the
24 definition of supplier maintaining a place of business in this
25 State shall mean the county), 2a, 2b, 3 through 3-55 (in
26 respect to all provisions other than the State rate of tax), 4

1 (except that the reference to the State shall be to the
2 county), 5, 7, 8 (except that the jurisdiction to which the tax
3 shall be a debt to the extent indicated in that Section 8 shall
4 be the county), 9 (except as to the disposition of taxes and
5 penalties collected, and except that the returned merchandise
6 credit for this tax may not be taken against any State tax, and
7 except that the retailer's discount is not allowed for taxes
8 paid on aviation fuel that are subject to the revenue use
9 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 11,
10 12 (except the reference to Section 2b of the Retailers'
11 Occupation Tax Act), 13 (except that any reference to the
12 State shall mean the county), 15, 16, 17, 18, 19 and 20 of the
13 Service Occupation Tax Act and Section 3-7 of the Uniform
14 Penalty and Interest Act, as fully as if those provisions were
15 set forth in this subsection.

16 Persons subject to any tax imposed under the authority
17 granted in this subsection may reimburse themselves for their
18 serviceman's tax liability by separately stating the tax as an
19 additional charge, which charge may be stated in combination,
20 in a single amount, with State tax that servicemen are
21 authorized to collect under the Service Use Tax Act, in
22 accordance with bracket schedules prescribed by the
23 Department.

24 Whenever the Department determines that a refund should be
25 made under this subsection to a claimant instead of issuing a
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the warrant to be drawn for the
2 amount specified, and to the person named, in the notification
3 from the Department. The refund shall be paid by the State
4 Treasurer out of the tax fund referenced under paragraph (g)
5 of this Section or the Local Government Aviation Trust Fund,
6 as appropriate.

7 Nothing in this paragraph shall be construed to authorize
8 the county to impose a tax upon the privilege of engaging in
9 any business that under the Constitution of the United States
10 may not be made the subject of taxation by the State.

11 (c-5) If, on January 1, 2025, a unit of local government
12 has in effect a tax under this Section, or if, after January 1,
13 2025, a unit of local government imposes a tax under this
14 Section, then that tax applies to leases of tangible personal
15 property in effect, entered into, or renewed on or after that
16 date in the same manner as the tax under this Section and in
17 accordance with the changes made by this amendatory Act of the
18 103rd General Assembly.

19 (d) If a tax has been imposed under subsection (b), a use
20 tax shall also be imposed at the same rate upon the privilege
21 of using, in the county, any item of tangible personal
22 property that is purchased outside the county at retail from a
23 retailer, and that is titled or registered at a location
24 within the county with an agency of this State's government.
25 "Selling price" is defined as in the Use Tax Act. The tax shall
26 be collected from persons whose Illinois address for titling

1 or registration purposes is given as being in the county. The
2 tax shall be collected by the Department of Revenue for the
3 county. The tax must be paid to the State, or an exemption
4 determination must be obtained from the Department of Revenue,
5 before the title or certificate of registration for the
6 property may be issued. The tax or proof of exemption may be
7 transmitted to the Department by way of the State agency with
8 which, or the State officer with whom, the tangible personal
9 property must be titled or registered if the Department and
10 the State agency or State officer determine that this
11 procedure will expedite the processing of applications for
12 title or registration.

13 The Department has full power to administer and enforce
14 this paragraph; to collect all taxes, penalties, and interest
15 due under this Section; to dispose of taxes, penalties, and
16 interest so collected in the manner provided in this Section;
17 and to determine all rights to credit memoranda or refunds
18 arising on account of the erroneous payment of tax, penalty,

19 or interest under this Section. In the administration of, and
20 compliance with, this subsection, the Department and persons
21 who are subject to this paragraph shall (i) have the same
22 rights, remedies, privileges, immunities, powers, and duties,
23 (ii) be subject to the same conditions, restrictions,
24 limitations, penalties, exclusions, exemptions, and
25 definitions of terms, and (iii) employ the same modes of
26 procedure as are prescribed in Sections 2 (except the

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1 definition of "retailer maintaining a place of business in
2 this State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a,
3 4, 6, 7, 8 (except that the jurisdiction to which the tax shall
4 be a debt to the extent indicated in that Section 8 shall be
5 the county), 9 (except provisions relating to quarter monthly
6 payments), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 20, 21, and 22
7 of the Use Tax Act and Section 3-7 of the Uniform Penalty and
8 Interest Act, that are not inconsistent with this paragraph,
9 as fully as if those provisions were set forth in this
10 subsection.

11 Whenever the Department determines that a refund should be
12 made under this subsection to a claimant instead of issuing a
13 credit memorandum, the Department shall notify the State
14 Comptroller, who shall cause the order to be drawn for the
15 amount specified, and to the person named, in the notification
16 from the Department. The refund shall be paid by the State
17 Treasurer out of the tax fund referenced under paragraph (g)
18 of this Section.

19 (e) A certificate of registration issued by the State
20 Department of Revenue to a retailer under the Retailers'
21 Occupation Tax Act or under the Service Occupation Tax Act
22 shall permit the registrant to engage in a business that is
23 taxed under the tax imposed under paragraphs (b), (c), or (d)
24 of this Section and no additional registration shall be
25 required. A certificate issued under the Use Tax Act or the
26 Service Use Tax Act shall be applicable with regard to any tax

1 imposed under paragraph (c) of this Section.

2 (f) The results of any election authorizing a proposition
3 to impose a tax under this Section or effecting a change in the
4 rate of tax shall be certified by the proper election
5 authorities and filed with the Illinois Department on or
6 before the first day of October. In addition, an ordinance
7 imposing, discontinuing, or effecting a change in the rate of
8 tax under this Section shall be adopted and a certified copy of
9 the ordinance filed with the Department on or before the first
10 day of October. After proper receipt of the certifications,
11 the Department shall proceed to administer and enforce this
12 Section as of the first day of January next following the
13 adoption and filing.

14 (g) Except as otherwise provided in paragraph (g-2), the
15 Department of Revenue shall, upon collecting any taxes and
16 penalties as provided in this Section, pay the taxes and
17 penalties over to the State Treasurer as trustee for the
18 county. The taxes and penalties shall be held in a trust fund
19 outside the State Treasury. On or before the 25th day of each
20 calendar month, the Department of Revenue shall prepare and
21 certify to the Comptroller of the State of Illinois the amount
22 to be paid to the county, which shall be the balance in the
23 fund, less any amount determined by the Department to be
24 necessary for the payment of refunds. Within 10 days after
25 receipt by the Comptroller of the certification of the amount
26 to be paid to the county, the Comptroller shall cause an order

1 to be drawn for payment for the amount in accordance with the
2 directions contained in the certification. Amounts received
3 from the tax imposed under this Section shall be used only for
4 the economic development activities of the county and
5 communities located within the county.

6 (g-2) Taxes and penalties collected on aviation fuel sold
7 on or after December 1, 2019, shall be immediately paid over by
8 the Department to the State Treasurer, ex officio, as trustee,
9 for deposit into the Local Government Aviation Trust Fund. The
10 Department shall only pay moneys into the Local Government

11 Aviation Trust Fund under this Section for so long as the
12 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
13 47133 are binding on the county.

14 (h) When certifying the amount of a monthly disbursement
15 to the county under this Section, the Department shall
16 increase or decrease the amounts by an amount necessary to
17 offset any miscalculation of previous disbursements. The
18 offset amount shall be the amount erroneously disbursed within
19 the previous 6 months from the time a miscalculation is
20 discovered.

21 (i) This Section may be cited as the Rock Island County Use
22 and Occupation Tax Law.

23 (Source: P.A. 103-592, eff. 1-1-25.)

24 (55 ILCS 5/5-12001) (from Ch. 34, par. 5-12001)
25 Sec. 5-12001. Authority to regulate and restrict location

1 and use of structures. For the purpose of promoting the public
2 health, safety, morals, comfort and general welfare,
3 conserving the values of property throughout the county,
4 lessening or avoiding congestion in the public streets and
5 highways, and lessening or avoiding the hazards to persons and
6 damage to property resulting from the accumulation or runoff
7 of storm or flood waters, the county board or board of county
8 commissioners, as the case may be, of each county, shall have
9 the power to regulate and restrict the location and use of
10 buildings, structures and land for trade, industry, residence
11 and other uses which may be specified by such board, to
12 regulate and restrict the intensity of such uses, to establish
13 building or setback lines on or along any street, trafficway,
14 drive, parkway or storm or floodwater runoff channel or basin
15 outside the limits of cities, villages and incorporated towns
16 which have in effect municipal zoning ordinances; to divide
17 the entire county outside the limits of such cities, villages
18 and incorporated towns into districts of such number, shape,
19 area and of such different classes, according to the use of
20 land and buildings, the intensity of such use (including
21 height of buildings and structures and surrounding open space)
22 and other classification as may be deemed best suited to carry

23 out the purposes of this Division; to prohibit uses, buildings
24 or structures incompatible with the character of such
25 districts respectively; and to prevent additions to and
26 alteration or remodeling of existing buildings or structures

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1 in such a way as to avoid the restrictions and limitations
2 lawfully imposed hereunder: Provided, that permits with
3 respect to the erection, maintenance, repair, alteration,
4 remodeling or extension of buildings or structures used or to
5 be used for agricultural purposes shall be issued free of any
6 charge. The corporate authorities of the county may by
7 ordinance require the construction of fences around or
8 protective covers over previously constructed artificial
9 basins of water dug in the ground and used for swimming or
10 wading, which are located on private residential property and
11 intended for the use of the owner and guests. In all ordinances
12 or resolutions passed under the authority of this Division,
13 due allowance shall be made for existing conditions, the
14 conservation of property values, the directions of building
15 development to the best advantage of the entire county, and
16 the uses to which property is devoted at the time of the
17 enactment of any such ordinance or resolution.

18 The powers by this Division given shall not be exercised
19 so as to deprive the owner of any existing property of its use
20 or maintenance for the purpose to which it is then lawfully
21 devoted, but provisions may be made for (i) the gradual
22 elimination of the uses of unimproved lands or lot areas when
23 the existing rights of the persons in possession are
24 terminated or when the uses to which they are devoted are
25 discontinued, (ii) the gradual elimination of uses to which
26 the buildings and structures are devoted if they are adaptable

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1 to permitted uses, and (iii) the gradual elimination of the
2 buildings and structures when they are destroyed or damaged in

3 major part; nor shall they be exercised so as to impose
4 regulations, eliminate uses, buildings, or structures, or
5 require permits with respect to land used for agricultural
6 purposes, which includes the growing of farm crops, truck
7 garden crops, animal and poultry husbandry, apiculture,
8 aquaculture, dairying, floriculture, horticulture, nurseries,
9 tree farms, sod farms, pasturage, viticulture, and wholesale
10 greenhouses when such agricultural purposes constitute the
11 principal activity on the land, other than parcels of land
12 consisting of less than 5 acres from which \$1,000 or less of
13 agricultural products were sold in any calendar year in
14 counties with a population between 300,000 and 400,000 or in
15 counties contiguous to a county with a population between
16 300,000 and 400,000, and other than parcels of land consisting
17 of less than 5 acres in counties with a population in excess of
18 400,000, or with respect to the erection, maintenance, repair,
19 alteration, remodeling or extension of buildings or structures
20 used or to be used for agricultural purposes upon such land
21 except that such buildings or structures for agricultural
22 purposes may be required to conform to building or set back
23 lines and counties may establish a minimum lot size for
24 residences on land used for agricultural purposes; nor shall
25 any such powers be so exercised as to prohibit the temporary
26 use of land for the installation, maintenance and operation of

1 facilities used by contractors in the ordinary course of
2 construction activities, except that such facilities may be
3 required to be located not less than 1,000 feet from any
4 building used for residential purposes, and except that the
5 period of such temporary use shall not exceed the duration of
6 the construction contract; nor shall any such powers include
7 the right to specify or regulate the type or location of any
8 poles, towers, wires, cables, conduits, vaults, laterals or
9 any other similar distributing equipment of a public utility
10 as defined in the Public Utilities Act, if the public utility
11 is subject to ~~the Messages Tax Act,~~ the Gas Revenue Tax Act or
12 the Public Utilities Revenue Act, or if such facilities or
13 equipment are located on any rights of way and are used for
14 railroad purposes, nor shall any such powers be exercised with

15 respect to uses, buildings, or structures of a public utility
16 as defined in the Public Utilities Act, nor shall any such
17 powers be exercised in any respect as to the facilities, as
18 defined in Section 5-12001.1, of a telecommunications carrier,
19 as also defined therein, except to the extent and in the manner
20 set forth in Section 5-12001.1. As used in this Act,
21 "agricultural purposes" do not include the extraction of sand,
22 gravel or limestone, and such activities may be regulated by
23 county zoning ordinance even when such activities are related
24 to an agricultural purpose.

25 Nothing in this Division shall be construed to restrict
26 the powers granted by statute to cities, villages and

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1 incorporated towns as to territory contiguous to but outside
2 of the limits of such cities, villages and incorporated towns.
3 Any zoning ordinance enacted by a city, village or
4 incorporated town shall supersede, with respect to territory
5 within the corporate limits of the municipality, any county
6 zoning plan otherwise applicable. The powers granted to
7 counties by this Division shall be treated as in addition to
8 powers conferred by statute to control or approve maps, plats
9 or subdivisions. In this Division, "agricultural purposes"
10 include, without limitation, the growing, developing,
11 processing, conditioning, or selling of hybrid seed corn, seed
12 beans, seed oats, or other farm seeds.

13 Nothing in this Division shall be construed to prohibit
14 the corporate authorities of a county from adopting an
15 ordinance that exempts pleasure driveways or park districts,
16 as defined in the Park District Code, with a population of
17 greater than 100,000, from the exercise of the county's powers
18 under this Division.

19 The powers granted by this Division may be used to require
20 the creation and preservation of affordable housing, including
21 the power to provide increased density or other zoning
22 incentives to developers who are creating, establishing, or
23 preserving affordable housing.

24 (Source: P.A. 94-303, eff. 7-21-05.)

25 Section 70-75. The Illinois Municipal Code is amended by

1 changing Sections 8-11-1, 8-11-1.3, 8-11-1.6, 8-11-23,
2 8-11-24, and 11-74.3-6 as follows:

3 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

4 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax
5 Act. The corporate authorities of a home rule municipality may
6 impose a tax upon all persons engaged in the business of
7 selling tangible personal property, other than an item of
8 tangible personal property titled or registered with an agency
9 of this State's government, at retail in the municipality on
10 the gross receipts from these sales made in the course of such
11 business. If imposed, the tax shall only be imposed in 1/4%
12 increments. On and after September 1, 1991, this additional
13 tax may not be imposed on tangible personal property taxed at
14 the 1% rate under the Retailers' Occupation Tax Act (or at the
15 0% rate imposed under this amendatory Act of the 102nd General
16 Assembly). Beginning December 1, 2019, this tax is not imposed
17 on sales of aviation fuel unless the tax revenue is expended
18 for airport-related purposes. If a municipality does not have
19 an airport-related purpose to which it dedicates aviation fuel
20 tax revenue, then aviation fuel is excluded from the tax. Each
21 municipality must comply with the certification requirements
22 for airport-related purposes under Section 2-22 of the
23 Retailers' Occupation Tax Act. For purposes of this Section,
24 "airport-related purposes" has the meaning ascribed in Section
25 6z-20.2 of the State Finance Act. This exclusion for aviation

1 fuel only applies for so long as the revenue use requirements
2 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
3 municipality. The changes made to this Section by this
4 amendatory Act of the 101st General Assembly are a denial and
5 limitation of home rule powers and functions under subsection
6 (g) of Section 6 of Article VII of the Illinois Constitution.

7 The tax imposed by a home rule municipality under this Section
8 and all civil penalties that may be assessed as an incident of
9 the tax shall be collected and enforced by the State
10 Department of Revenue. The certificate of registration that is
11 issued by the Department to a retailer under the Retailers'
12 Occupation Tax Act shall permit the retailer to engage in a
13 business that is taxable under any ordinance or resolution
14 enacted pursuant to this Section without registering
15 separately with the Department under such ordinance or
16 resolution or under this Section. The Department shall have
17 full power to administer and enforce this Section; to collect
18 all taxes and penalties due hereunder; to dispose of taxes and
19 penalties so collected in the manner hereinafter provided; and
20 to determine all rights to credit memoranda arising on account
21 of the erroneous payment of tax or penalty hereunder. In the
22 administration of, and compliance with, this Section the
23 Department and persons who are subject to this Section shall
24 have the same rights, remedies, privileges, immunities, powers
25 and duties, and be subject to the same conditions,
26 restrictions, limitations, penalties and definitions of terms,

1 and employ the same modes of procedure, as are prescribed in
2 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
3 (in respect to all provisions therein other than the State
4 rate of tax), 2c, 3 (except as to the disposition of taxes and
5 penalties collected, and except that the retailer's discount
6 is not allowed for taxes paid on aviation fuel that are subject
7 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
8 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j,
9 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of
10 the Retailers' Occupation Tax Act and Section 3-7 of the
11 Uniform Penalty and Interest Act, as fully as if those
12 provisions were set forth herein.

13 No tax may be imposed by a home rule municipality under
14 this Section unless the municipality also imposes a tax at the
15 same rate under Section 8-11-5 of this Act.

16 If, on January 1, 2025, a unit of local government has in
17 effect a tax under this Section, or if, after January 1, 2025,
18 a unit of local government imposes a tax under this Section,

19 then that tax applies to leases of tangible personal property
20 in effect, entered into, or renewed on or after that date in
21 the same manner as the tax under this Section and in accordance
22 with the changes made by this amendatory Act of the 103rd
23 General Assembly.

24 Persons subject to any tax imposed under the authority
25 granted in this Section may reimburse themselves for their
26 seller's tax liability hereunder by separately stating that

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1 tax as an additional charge, which charge may be stated in
2 combination, in a single amount, with State tax which sellers
3 are required to collect under the Use Tax Act, pursuant to such
4 bracket schedules as the Department may prescribe.

5 Whenever the Department determines that a refund should be
6 made under this Section to a claimant instead of issuing a
7 credit memorandum, the Department shall notify the State
8 Comptroller, who shall cause the order to be drawn for the
9 amount specified and to the person named in the notification
10 from the Department. The refund shall be paid by the State
11 Treasurer out of the home rule municipal retailers' occupation
12 tax fund or the Local Government Aviation Trust Fund, as
13 appropriate.

14 Except as otherwise provided in this paragraph, the
15 Department shall immediately pay over to the State Treasurer,
16 ex officio, as trustee, all taxes and penalties collected
17 hereunder for deposit into the Home Rule Municipal Retailers'
18 Occupation Tax Fund. Taxes and penalties collected on aviation
19 fuel sold on or after December 1, 2019, shall be immediately
20 paid over by the Department to the State Treasurer, ex
21 officio, as trustee, for deposit into the Local Government
22 Aviation Trust Fund. The Department shall only pay moneys into
23 the Local Government Aviation Trust Fund under this Section
24 for so long as the revenue use requirements of 49 U.S.C.
25 47107(b) and 49 U.S.C. 47133 are binding on the State.

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

1 beginning January 1, 2011, upon certification of the
2 Department of Revenue, the Comptroller shall order
3 transferred, and the Treasurer shall transfer, to the STAR
4 Bonds Revenue Fund the local sales tax increment, as defined
5 in the Innovation Development and Economy Act, collected under
6 this Section during the second preceding calendar month for
7 sales within a STAR bond district.

8 After the monthly transfer to the STAR Bonds Revenue Fund,
9 on or before the 25th day of each calendar month, the
10 Department shall prepare and certify to the Comptroller the
11 disbursement of stated sums of money to named municipalities,
12 the municipalities to be those from which retailers have paid
13 taxes or penalties hereunder to the Department during the
14 second preceding calendar month. The amount to be paid to each
15 municipality shall be the amount (not including credit
16 memoranda and not including taxes and penalties collected on
17 aviation fuel sold on or after December 1, 2019) collected
18 hereunder during the second preceding calendar month by the
19 Department plus an amount the Department determines is
20 necessary to offset any amounts that were erroneously paid to
21 a different taxing body, and not including an amount equal to
22 the amount of refunds made during the second preceding
23 calendar month by the Department on behalf of such
24 municipality, and not including any amount that the Department
25 determines is necessary to offset any amounts that were
26 payable to a different taxing body but were erroneously paid

1 to the municipality, and not including any amounts that are
2 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
3 remainder, which the Department shall transfer into the Tax
4 Compliance and Administration Fund. The Department, at the
5 time of each monthly disbursement to the municipalities, shall
6 prepare and certify to the State Comptroller the amount to be
7 transferred into the Tax Compliance and Administration Fund
8 under this Section. Within 10 days after receipt by the
9 Comptroller of the disbursement certification to the
10 municipalities and the Tax Compliance and Administration Fund

11 provided for in this Section to be given to the Comptroller by
12 the Department, the Comptroller shall cause the orders to be
13 drawn for the respective amounts in accordance with the
14 directions contained in the certification.

15 In addition to the disbursement required by the preceding
16 paragraph and in order to mitigate delays caused by
17 distribution procedures, an allocation shall, if requested, be
18 made within 10 days after January 14, 1991, and in November of
19 1991 and each year thereafter, to each municipality that
20 received more than \$500,000 during the preceding fiscal year,
21 (July 1 through June 30) whether collected by the municipality
22 or disbursed by the Department as required by this Section.
23 Within 10 days after January 14, 1991, participating
24 municipalities shall notify the Department in writing of their
25 intent to participate. In addition, for the initial
26 distribution, participating municipalities shall certify to

1 the Department the amounts collected by the municipality for
2 each month under its home rule occupation and service
3 occupation tax during the period July 1, 1989 through June 30,
4 1990. The allocation within 10 days after January 14, 1991,
5 shall be in an amount equal to the monthly average of these
6 amounts, excluding the 2 months of highest receipts. The
7 monthly average for the period of July 1, 1990 through June 30,
8 1991 will be determined as follows: the amounts collected by
9 the municipality under its home rule occupation and service
10 occupation tax during the period of July 1, 1990 through
11 September 30, 1990, plus amounts collected by the Department
12 and paid to such municipality through June 30, 1991, excluding
13 the 2 months of highest receipts. The monthly average for each
14 subsequent period of July 1 through June 30 shall be an amount
15 equal to the monthly distribution made to each such
16 municipality under the preceding paragraph during this period,
17 excluding the 2 months of highest receipts. The distribution
18 made in November 1991 and each year thereafter under this
19 paragraph and the preceding paragraph shall be reduced by the
20 amount allocated and disbursed under this paragraph in the
21 preceding period of July 1 through June 30. The Department
22 shall prepare and certify to the Comptroller for disbursement

23 the allocations made in accordance with this paragraph.

24 For the purpose of determining the local governmental unit
25 whose tax is applicable, a retail sale by a producer of coal or
26 other mineral mined in Illinois is a sale at retail at the

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1 place where the coal or other mineral mined in Illinois is
2 extracted from the earth. This paragraph does not apply to
3 coal or other mineral when it is delivered or shipped by the
4 seller to the purchaser at a point outside Illinois so that the
5 sale is exempt under the United States Constitution as a sale
6 in interstate or foreign commerce.

7 Nothing in this Section shall be construed to authorize a
8 municipality to impose a tax upon the privilege of engaging in
9 any business which under the Constitution of the United States
10 may not be made the subject of taxation by this State.

11 An ordinance or resolution imposing or discontinuing a tax
12 hereunder or effecting a change in the rate thereof shall be
13 adopted and a certified copy thereof filed with the Department
14 on or before the first day of June, whereupon the Department
15 shall proceed to administer and enforce this Section as of the
16 first day of September next following the adoption and filing.
17 Beginning January 1, 1992, an ordinance or resolution imposing
18 or discontinuing the tax hereunder or effecting a change in
19 the rate thereof shall be adopted and a certified copy thereof
20 filed with the Department on or before the first day of July,
21 whereupon the Department shall proceed to administer and
22 enforce this Section as of the first day of October next
23 following such adoption and filing. Beginning January 1, 1993,
24 an ordinance or resolution imposing or discontinuing the tax
25 hereunder or effecting a change in the rate thereof shall be
26 adopted and a certified copy thereof filed with the Department

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1 on or before the first day of October, whereupon the
2 Department shall proceed to administer and enforce this

3 Section as of the first day of January next following the
4 adoption and filing. However, a municipality located in a
5 county with a population in excess of 3,000,000 that elected
6 to become a home rule unit at the general primary election in
7 1994 may adopt an ordinance or resolution imposing the tax
8 under this Section and file a certified copy of the ordinance
9 or resolution with the Department on or before July 1, 1994.
10 The Department shall then proceed to administer and enforce
11 this Section as of October 1, 1994. Beginning April 1, 1998, an
12 ordinance or resolution imposing or discontinuing the tax
13 hereunder or effecting a change in the rate thereof shall
14 either (i) be adopted and a certified copy thereof filed with
15 the Department on or before the first day of April, whereupon
16 the Department shall proceed to administer and enforce this
17 Section as of the first day of July next following the adoption
18 and filing; or (ii) be adopted and a certified copy thereof
19 filed with the Department on or before the first day of
20 October, whereupon the Department shall proceed to administer
21 and enforce this Section as of the first day of January next
22 following the adoption and filing.

23 When certifying the amount of a monthly disbursement to a
24 municipality under this Section, the Department shall increase
25 or decrease the amount by an amount necessary to offset any
26 misallocation of previous disbursements. The offset amount

1 shall be the amount erroneously disbursed within the previous
2 6 months from the time a misallocation is discovered.

3 Any unobligated balance remaining in the Municipal
4 Retailers' Occupation Tax Fund on December 31, 1989, which
5 fund was abolished by Public Act 85-1135, and all receipts of
6 municipal tax as a result of audits of liability periods prior
7 to January 1, 1990, shall be paid into the Local Government Tax
8 Fund for distribution as provided by this Section prior to the
9 enactment of Public Act 85-1135. All receipts of municipal tax
10 as a result of an assessment not arising from an audit, for
11 liability periods prior to January 1, 1990, shall be paid into
12 the Local Government Tax Fund for distribution before July 1,
13 1990, as provided by this Section prior to the enactment of
14 Public Act 85-1135; and on and after July 1, 1990, all such

15 receipts shall be distributed as provided in Section 6z-18 of
16 the State Finance Act.

17 As used in this Section, "municipal" and "municipality"
18 means a city, village or incorporated town, including an
19 incorporated town that has superseded a civil township.

20 This Section shall be known and may be cited as the Home
21 Rule Municipal Retailers' Occupation Tax Act.

22 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

23 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

24 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
25 Occupation Tax Act. The corporate authorities of a non-home

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1 rule municipality may impose, by ordinance or resolution
2 adopted in the manner described in Section 8-11-1.1, a tax
3 upon all persons engaged in the business of selling tangible
4 personal property, other than on an item of tangible personal
5 property which is titled and registered by an agency of this
6 State's Government, at retail in the municipality. If imposed,
7 the tax shall be imposed on the gross receipts from such sales
8 made in the course of such business. The proceeds of the tax
9 may be used for public infrastructure or for property tax
10 relief or both, as defined in Section 8-11-1.2. If the tax is
11 approved by referendum on or after July 14, 2010 (the
12 effective date of Public Act 96-1057) and before August 5,
13 2024 (the effective date of Public Act 103-781), the corporate
14 authorities of the non-home rule municipality may, until
15 January 1, 2031, use the proceeds of the tax for expenditure on
16 municipal operations, in addition to or in lieu of any
17 expenditure on public infrastructure or for property tax
18 relief. If the tax is approved by an ordinance or resolution
19 adopted on or after August 5, 2024 (the effective date of
20 Public Act 103-781), the corporate authorities of the non-home
21 rule municipality may, until January 1, 2031, use the proceeds
22 of the tax for expenditure on municipal operations, in
23 addition to or in lieu of any expenditure on public
24 infrastructure or for property tax relief. The tax imposed may
25 not be more than 1% and may be imposed only in 1/4% increments.
26 The tax may not be imposed on tangible personal property taxed

1 at the 1% rate under the Retailers' Occupation Tax Act (or at
2 the 0% rate imposed under this amendatory Act of the 102nd
3 General Assembly). Beginning December 1, 2019, this tax is not
4 imposed on sales of aviation fuel unless the tax revenue is
5 expended for airport-related purposes. If a municipality does
6 not have an airport-related purpose to which it dedicates
7 aviation fuel tax revenue, then aviation fuel is excluded from
8 the tax. Each municipality must comply with the certification
9 requirements for airport-related purposes under Section 2-22
10 of the Retailers' Occupation Tax Act. For purposes of this
11 Section, "airport-related purposes" has the meaning ascribed
12 in Section 6z-20.2 of the State Finance Act. This exclusion
13 for aviation fuel only applies for so long as the revenue use
14 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
15 binding on the municipality. The tax imposed by a municipality
16 pursuant to this Section and all civil penalties that may be
17 assessed as an incident thereof shall be collected and
18 enforced by the State Department of Revenue. The certificate
19 of registration which is issued by the Department to a
20 retailer under the Retailers' Occupation Tax Act shall permit
21 such retailer to engage in a business which is taxable under
22 any ordinance or resolution enacted pursuant to this Section
23 without registering separately with the Department under such
24 ordinance or resolution or under this Section. The Department
25 shall have full power to administer and enforce this Section;
26 to collect all taxes and penalties due hereunder; to dispose

1 of taxes and penalties so collected in the manner hereinafter
2 provided, and to determine all rights to credit memoranda,
3 arising on account of the erroneous payment of tax or penalty
4 hereunder. In the administration of, and compliance with, this
5 Section, the Department and persons who are subject to this
6 Section shall have the same rights, remedies, privileges,

7 immunities, powers and duties, and be subject to the same
8 conditions, restrictions, limitations, penalties and
9 definitions of terms, and employ the same modes of procedure,
10 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,
11 2 through 2-65 (in respect to all provisions therein other
12 than the State rate of tax), 2c, 3 (except as to the
13 disposition of taxes and penalties collected, and except that
14 the retailer's discount is not allowed for taxes paid on
15 aviation fuel that are subject to the revenue use requirements
16 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
17 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d,
18 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act
19 and Section 3-7 of the Uniform Penalty and Interest Act as
20 fully as if those provisions were set forth herein.

21 No municipality may impose a tax under this Section unless
22 the municipality also imposes a tax at the same rate under
23 Section 8-11-1.4 of this Code.

24 If, on January 1, 2025, a unit of local government has in
25 effect a tax under this Section, or if, after January 1, 2025,
26 a unit of local government imposes a tax under this Section,

1 then that tax applies to leases of tangible personal property
2 in effect, entered into, or renewed on or after that date in
3 the same manner as the tax under this Section and in accordance
4 with the changes made by this amendatory Act of the 103rd
5 General Assembly.

6 Persons subject to any tax imposed pursuant to the
7 authority granted in this Section may reimburse themselves for
8 their seller's tax liability hereunder by separately stating
9 such tax as an additional charge, which charge may be stated in
10 combination, in a single amount, with State tax which sellers
11 are required to collect under the Use Tax Act, pursuant to such
12 bracket schedules as the Department may prescribe.

13 Whenever the Department determines that a refund should be
14 made under this Section to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the order to be drawn for the
17 amount specified, and to the person named, in such
18 notification from the Department. Such refund shall be paid by

19 the State Treasurer out of the non-home rule municipal
20 retailers' occupation tax fund or the Local Government
21 Aviation Trust Fund, as appropriate.

22 Except as otherwise provided, the Department shall
23 forthwith pay over to the State Treasurer, ex officio, as
24 trustee, all taxes and penalties collected hereunder for
25 deposit into the Non-Home Rule Municipal Retailers' Occupation
26 Tax Fund. Taxes and penalties collected on aviation fuel sold

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1 on or after December 1, 2019, shall be immediately paid over by
2 the Department to the State Treasurer, ex officio, as trustee,
3 for deposit into the Local Government Aviation Trust Fund. The
4 Department shall only pay moneys into the Local Government
5 Aviation Trust Fund under this Section for so long as the
6 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
7 47133 are binding on the municipality.

8 As soon as possible after the first day of each month,
9 beginning January 1, 2011, upon certification of the
10 Department of Revenue, the Comptroller shall order
11 transferred, and the Treasurer shall transfer, to the STAR
12 Bonds Revenue Fund the local sales tax increment, as defined
13 in the Innovation Development and Economy Act, collected under
14 this Section during the second preceding calendar month for
15 sales within a STAR bond district.

16 After the monthly transfer to the STAR Bonds Revenue Fund,
17 on or before the 25th day of each calendar month, the
18 Department shall prepare and certify to the Comptroller the
19 disbursement of stated sums of money to named municipalities,
20 the municipalities to be those from which retailers have paid
21 taxes or penalties hereunder to the Department during the
22 second preceding calendar month. The amount to be paid to each
23 municipality shall be the amount (not including credit
24 memoranda and not including taxes and penalties collected on
25 aviation fuel sold on or after December 1, 2019) collected
26 hereunder during the second preceding calendar month by the

1 Department plus an amount the Department determines is
2 necessary to offset any amounts which were erroneously paid to
3 a different taxing body, and not including an amount equal to
4 the amount of refunds made during the second preceding
5 calendar month by the Department on behalf of such
6 municipality, and not including any amount which the
7 Department determines is necessary to offset any amounts which
8 were payable to a different taxing body but were erroneously
9 paid to the municipality, and not including any amounts that
10 are transferred to the STAR Bonds Revenue Fund, less 1.5% of
11 the remainder, which the Department shall transfer into the
12 Tax Compliance and Administration Fund. The Department, at the
13 time of each monthly disbursement to the municipalities, shall
14 prepare and certify to the State Comptroller the amount to be
15 transferred into the Tax Compliance and Administration Fund
16 under this Section. Within 10 days after receipt, by the
17 Comptroller, of the disbursement certification to the
18 municipalities and the Tax Compliance and Administration Fund
19 provided for in this Section to be given to the Comptroller by
20 the Department, the Comptroller shall cause the orders to be
21 drawn for the respective amounts in accordance with the
22 directions contained in such certification.

23 For the purpose of determining the local governmental unit
24 whose tax is applicable, a retail sale, by a producer of coal
25 or other mineral mined in Illinois, is a sale at retail at the
26 place where the coal or other mineral mined in Illinois is

1 extracted from the earth. This paragraph does not apply to
2 coal or other mineral when it is delivered or shipped by the
3 seller to the purchaser at a point outside Illinois so that the
4 sale is exempt under the Federal Constitution as a sale in
5 interstate or foreign commerce.

6 Nothing in this Section shall be construed to authorize a
7 municipality to impose a tax upon the privilege of engaging in
8 any business which under the constitution of the United States
9 may not be made the subject of taxation by this State.

10 When certifying the amount of a monthly disbursement to a

11 municipality under this Section, the Department shall increase
12 or decrease such amount by an amount necessary to offset any
13 misallocation of previous disbursements. The offset amount
14 shall be the amount erroneously disbursed within the previous
15 6 months from the time a misallocation is discovered.

16 The Department of Revenue shall implement Public Act
17 91-649 so as to collect the tax on and after January 1, 2002.

18 As used in this Section, "municipal" and "municipality"
19 mean a city, village, or incorporated town, including an
20 incorporated town which has superseded a civil township.

21 This Section shall be known and may be cited as the
22 Non-Home Rule Municipal Retailers' Occupation Tax Act.
23 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25;
24 103-1055, eff. 12-20-24.)

25 (65 ILCS 5/8-11-1.6)

1 Sec. 8-11-1.6. Non-home rule municipal retailers'
2 occupation tax; municipalities between 20,000 and 25,000. The
3 corporate authorities of a non-home rule municipality with a
4 population of more than 20,000 but less than 25,000 that has,
5 prior to January 1, 1987, established a Redevelopment Project
6 Area that has been certified as a State Sales Tax Boundary and
7 has issued bonds or otherwise incurred indebtedness to pay for
8 costs in excess of \$5,000,000, which is secured in part by a
9 tax increment allocation fund, in accordance with the
10 provisions of Division 11-74.4 of this Code may, by passage of
11 an ordinance, impose a tax upon all persons engaged in the
12 business of selling tangible personal property, other than on
13 an item of tangible personal property that is titled and
14 registered by an agency of this State's Government, at retail
15 in the municipality. This tax may not be imposed on tangible
16 personal property taxed at the 1% rate under the Retailers'
17 Occupation Tax Act (or at the 0% rate imposed under this
18 amendatory Act of the 102nd General Assembly). Beginning
19 December 1, 2019, this tax is not imposed on sales of aviation
20 fuel unless the tax revenue is expended for airport-related
21 purposes. If a municipality does not have an airport-related
22 purpose to which it dedicates aviation fuel tax revenue, then

23 aviation fuel is excluded from the tax. Each municipality must
24 comply with the certification requirements for airport-related
25 purposes under Section 2-22 of the Retailers' Occupation Tax
26 Act. For purposes of this Section, "airport-related purposes"

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1 has the meaning ascribed in Section 6z-20.2 of the State
2 Finance Act. This exclusion for aviation fuel only applies for
3 so long as the revenue use requirements of 49 U.S.C. 47107(b)
4 and 49 U.S.C. 47133 are binding on the municipality. If
5 imposed, the tax shall only be imposed in .25% increments of
6 the gross receipts from such sales made in the course of
7 business. Any tax imposed by a municipality under this Section
8 and all civil penalties that may be assessed as an incident
9 thereof shall be collected and enforced by the State
10 Department of Revenue. An ordinance imposing a tax hereunder
11 or effecting a change in the rate thereof shall be adopted and
12 a certified copy thereof filed with the Department on or
13 before the first day of October, whereupon the Department
14 shall proceed to administer and enforce this Section as of the
15 first day of January next following such adoption and filing.
16 The certificate of registration that is issued by the
17 Department to a retailer under the Retailers' Occupation Tax
18 Act shall permit the retailer to engage in a business that is
19 taxable under any ordinance or resolution enacted under this
20 Section without registering separately with the Department
21 under the ordinance or resolution or under this Section. The
22 Department shall have full power to administer and enforce
23 this Section, to collect all taxes and penalties due
24 hereunder, to dispose of taxes and penalties so collected in
25 the manner hereinafter provided, and to determine all rights
26 to credit memoranda, arising on account of the erroneous

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1 payment of tax or penalty hereunder. In the administration of,
2 and compliance with this Section, the Department and persons

3 who are subject to this Section shall have the same rights,
4 remedies, privileges, immunities, powers, and duties, and be
5 subject to the same conditions, restrictions, limitations,
6 penalties, and definitions of terms, and employ the same modes
7 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,
8 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
9 therein other than the State rate of tax), 2c, 3 (except as to
10 the disposition of taxes and penalties collected, and except
11 that the retailer's discount is not allowed for taxes paid on
12 aviation fuel that are subject to the revenue use requirements
13 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
14 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d,
15 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act
16 and Section 3-7 of the Uniform Penalty and Interest Act as
17 fully as if those provisions were set forth herein.

18 A tax may not be imposed by a municipality under this
19 Section unless the municipality also imposes a tax at the same
20 rate under Section 8-11-1.7 of this Act.

21 If, on January 1, 2025, a unit of local government has in
22 effect a tax under this Section, or if, after January 1, 2025,
23 a unit of local government imposes a tax under this Section,
24 then that tax applies to leases of tangible personal property
25 in effect, entered into, or renewed on or after that date in
26 the same manner as the tax under this Section and in accordance

1 with the changes made by this amendatory Act of the 103rd
2 General Assembly.

3 Persons subject to any tax imposed under the authority
4 granted in this Section may reimburse themselves for their
5 seller's tax liability hereunder by separately stating the tax
6 as an additional charge, which charge may be stated in
7 combination, in a single amount, with State tax which sellers
8 are required to collect under the Use Tax Act, pursuant to such
9 bracket schedules as the Department may prescribe.

10 Whenever the Department determines that a refund should be
11 made under this Section to a claimant, instead of issuing a
12 credit memorandum, the Department shall notify the State
13 Comptroller, who shall cause the order to be drawn for the
14 amount specified, and to the person named in the notification

15 from the Department. The refund shall be paid by the State
16 Treasurer out of the Non-Home Rule Municipal Retailers'
17 Occupation Tax Fund, which is hereby created or the Local
18 Government Aviation Trust Fund, as appropriate.

19 Except as otherwise provided in this paragraph, the
20 Department shall forthwith pay over to the State Treasurer, ex
21 officio, as trustee, all taxes and penalties collected
22 hereunder for deposit into the Non-Home Rule Municipal
23 Retailers' Occupation Tax Fund. Taxes and penalties collected
24 on aviation fuel sold on or after December 1, 2019, shall be
25 immediately paid over by the Department to the State
26 Treasurer, ex officio, as trustee, for deposit into the Local

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1 Government Aviation Trust Fund. The Department shall only pay
2 moneys into the Local Government Aviation Trust Fund under
3 this Section for so long as the revenue use requirements of 49
4 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
5 municipality.

6 As soon as possible after the first day of each month,
7 beginning January 1, 2011, upon certification of the
8 Department of Revenue, the Comptroller shall order
9 transferred, and the Treasurer shall transfer, to the STAR
10 Bonds Revenue Fund the local sales tax increment, as defined
11 in the Innovation Development and Economy Act, collected under
12 this Section during the second preceding calendar month for
13 sales within a STAR bond district.

14 After the monthly transfer to the STAR Bonds Revenue Fund,
15 on or before the 25th day of each calendar month, the
16 Department shall prepare and certify to the Comptroller the
17 disbursement of stated sums of money to named municipalities,
18 the municipalities to be those from which retailers have paid
19 taxes or penalties hereunder to the Department during the
20 second preceding calendar month. The amount to be paid to each
21 municipality shall be the amount (not including credit
22 memoranda and not including taxes and penalties collected on
23 aviation fuel sold on or after December 1, 2019) collected
24 hereunder during the second preceding calendar month by the
25 Department plus an amount the Department determines is
26 necessary to offset any amounts that were erroneously paid to

1 a different taxing body, and not including an amount equal to
2 the amount of refunds made during the second preceding
3 calendar month by the Department on behalf of the
4 municipality, and not including any amount that the Department
5 determines is necessary to offset any amounts that were
6 payable to a different taxing body but were erroneously paid
7 to the municipality, and not including any amounts that are
8 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
9 remainder, which the Department shall transfer into the Tax
10 Compliance and Administration Fund. The Department, at the
11 time of each monthly disbursement to the municipalities, shall
12 prepare and certify to the State Comptroller the amount to be
13 transferred into the Tax Compliance and Administration Fund
14 under this Section. Within 10 days after receipt by the
15 Comptroller of the disbursement certification to the
16 municipalities and the Tax Compliance and Administration Fund
17 provided for in this Section to be given to the Comptroller by
18 the Department, the Comptroller shall cause the orders to be
19 drawn for the respective amounts in accordance with the
20 directions contained in the certification.

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

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

4 Nothing in this Section shall be construed to authorize a
5 municipality to impose a tax upon the privilege of engaging in
6 any business which under the constitution of the United States

7 may not be made the subject of taxation by this State.

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

14 As used in this Section, "municipal" and "municipality"
15 means a city, village, or incorporated town, including an
16 incorporated town that has superseded a civil township.
17 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

18 (65 ILCS 5/8-11-23)

19 Sec. 8-11-23. Municipal Cannabis Retailers' Occupation Tax
20 Law.

21 (a) This Section may be referred to as the Municipal
22 Cannabis Retailers' Occupation Tax Law. The corporate
23 authorities of any municipality may, by ordinance, impose a
24 tax upon all persons engaged in the business of selling
25 cannabis, other than cannabis purchased under the

1 Compassionate Use of Medical Cannabis Program Act, at retail
2 in the municipality on the gross receipts from these sales
3 made in the course of that business. If imposed, the tax may
4 not exceed 3% of the gross receipts from these sales and shall
5 only be imposed in 1/4% increments. The tax imposed under this
6 Section and all civil penalties that may be assessed as an
7 incident of the tax shall be collected and enforced by the
8 Department of Revenue. The Department of Revenue shall have
9 full power to administer and enforce this Section; to collect
10 all taxes and penalties due hereunder; to dispose of taxes and
11 penalties so collected in the manner hereinafter provided; and
12 to determine all rights to credit memoranda arising on account
13 of the erroneous payment of tax or penalty under this Section.
14 In the administration of and compliance with this Section, the
15 Department and persons who are subject to this Section shall
16 have the same rights, remedies, privileges, immunities, powers
17 and duties, and be subject to the same conditions,
18 restrictions, limitations, penalties and definitions of terms,

19 and employ the same modes of procedure, as are prescribed in
20 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
21 (in respect to all provisions therein other than the State
22 rate of tax), 2a, 2b, 2c, 2i, 3 (except as to the disposition
23 of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e,
24 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
25 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act
26 and Section 3-7 of the Uniform Penalty and Interest Act, as

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1 fully as if those provisions were set forth herein.

2 (b) Persons subject to any tax imposed under the authority
3 granted in this Section may reimburse themselves for their
4 seller's tax liability hereunder by separately stating that
5 tax as an additional charge, which charge may be stated in
6 combination, in a single amount, with any State tax that
7 sellers are required to collect.

8 (c) Whenever the Department of Revenue determines that a
9 refund should be made under this Section to a claimant instead
10 of issuing a credit memorandum, the Department of Revenue
11 shall notify the State Comptroller, who shall cause the order
12 to be drawn for the amount specified and to the person named in
13 the notification from the Department of Revenue.

14 (d) The Department of Revenue shall immediately pay over
15 to the State Treasurer, ex officio, as trustee, all taxes and
16 penalties collected hereunder for deposit into the Local
17 Cannabis Retailers' Occupation Tax Trust Fund.

18 (e) On or before the 25th day of each calendar month, the
19 Department of Revenue shall prepare and certify to the
20 Comptroller the amount of money to be disbursed from the Local
21 Cannabis Retailers' Occupation Tax Trust Fund to
22 municipalities from which retailers have paid taxes or
23 penalties under this Section during the second preceding
24 calendar month. The amount to be paid to each municipality
25 shall be the amount (not including credit memoranda) collected
26 under this Section from sales made in the municipality during

1 the second preceding calendar month, plus an amount the
2 Department of Revenue determines is necessary to offset any
3 amounts that were erroneously paid to a different taxing body,
4 and not including an amount equal to the amount of refunds made
5 during the second preceding calendar month by the Department
6 on behalf of such municipality, and not including any amount
7 that the Department determines is necessary to offset any
8 amounts that were payable to a different taxing body but were
9 erroneously paid to the municipality, less 1.5% of the
10 remainder, which the Department shall transfer into the Tax
11 Compliance and Administration Fund. The Department, at the
12 time of each monthly disbursement to the municipalities, shall
13 prepare and certify to the State Comptroller the amount to be
14 transferred into the Tax Compliance and Administration Fund
15 under this Section. Within 10 days after receipt by the
16 Comptroller of the disbursement certification to the
17 municipalities and the Tax Compliance and Administration Fund
18 provided for in this Section to be given to the Comptroller by
19 the Department, the Comptroller shall cause the orders to be
20 drawn for the respective amounts in accordance with the
21 directions contained in the certification.

22 (f) An ordinance or resolution imposing or discontinuing a
23 tax under this Section or effecting a change in the rate
24 thereof that is adopted on or after June 25, 2019 (the
25 effective date of Public Act 101-27) and for which a certified
26 copy is filed with the Department on or before April 1, 2020

1 shall be administered and enforced by the Department beginning
2 on July 1, 2020. For ordinances filed with the Department
3 after April 1, 2020, an ordinance or resolution imposing or
4 discontinuing a tax under this Section or effecting a change
5 in the rate thereof shall either (i) be adopted and a certified
6 copy thereof filed with the Department on or before the first
7 day of April, whereupon the Department shall proceed to
8 administer and enforce this Section as of the first day of July
9 next following the adoption and filing; or (ii) be adopted and
10 a certified copy thereof filed with the Department on or

11 before the first day of October, whereupon the Department
12 shall proceed to administer and enforce this Section as of the
13 first day of January next following the adoption and filing.
14 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

15 (65 ILCS 5/8-11-24)

16 Sec. 8-11-24. Municipal Grocery Occupation Tax Law.

17 (a) The corporate authorities of any municipality may, by
18 ordinance or resolution that takes effect on or after January
19 1, 2026, impose a tax upon all persons engaged in the business
20 of selling groceries at retail in the municipality on the
21 gross receipts from those sales made in the course of that
22 business. If imposed, the tax shall be at the rate of 1% of the
23 gross receipts from these sales.

24 The tax imposed by a municipality under this subsection
25 and all civil penalties that may be assessed as an incident of

1 the tax shall be collected and enforced by the Department. The
2 certificate of registration that is issued by the Department
3 to a retailer under the Retailers' Occupation Tax Act shall
4 permit the retailer to engage in a business that is taxable
5 under any ordinance or resolution enacted under this
6 subsection without registering separately with the Department
7 under that ordinance or resolution or under this subsection.

8 The Department shall have full power to administer and
9 enforce this subsection; to collect all taxes and penalties
10 due under this subsection; to dispose of taxes and penalties
11 so collected in the manner provided in this Section and under
12 rules adopted by the Department; and to determine all rights
13 to credit memoranda arising on account of the erroneous
14 payment of tax or penalty under this subsection.

15 In the administration of, and compliance with, this
16 subsection, the Department and persons who are subject to this
17 subsection shall have the same rights, remedies, privileges,
18 immunities, powers, and duties, and be subject to the same
19 conditions, restrictions, limitations, penalties and
20 definitions of terms, and employ the same modes of procedure,
21 as are prescribed in Sections 1, 2 through 2-65 (in respect to
22 all provisions therein other than the State rate of tax and

23 other than the exemption for food for human consumption that
24 is to be consumed off the premises where it is sold (other than
25 alcoholic liquor taxable under Section 8-1 of the Liquor
26 Control Act of 1934 ~~beverages~~, food consisting of or infused

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1 with adult use cannabis, soft drinks, candy, and food that has
2 been prepared for immediate consumption), which is authorized
3 to be taxed as provided in this subsection), 2c, 3 (except as
4 to the disposition of taxes and penalties collected), 4, 5,
5 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
6 10, 11, 11a, 12 and 13 of the Retailers' Occupation Tax Act and
7 all of the Uniform Penalty and Interest Act, as fully as if
8 those provisions were set forth in this Section.

9 Persons subject to any tax imposed under the authority
10 granted in this subsection may reimburse themselves for their
11 seller's tax liability hereunder by separately stating that
12 tax as an additional charge, which charge may be stated in
13 combination, in a single amount, with State tax which sellers
14 are required to collect under the Use Tax Act, pursuant to such
15 bracket schedules as the Department may prescribe.

16 (b) If a tax has been imposed under subsection (a), then a
17 service occupation tax must also be imposed ~~at the same rate~~
18 upon all persons engaged, in the municipality, in the business
19 of making sales of service, at the same rate of tax imposed
20 under subsection (a), on the selling price of all who, as an
21 ~~incident to making those sales of service, transfer~~ groceries,
22 as defined in this Section, transferred by the serviceman as
23 an incident to a sale of service.

24 The tax imposed under this subsection and all civil
25 penalties that may be assessed as an incident thereof shall be
26 collected and enforced by the Department. The certificate of

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1 registration that is issued by the Department to a retailer
2 under the Retailers' Occupation Tax Act or the Service

3 Occupation Tax Act shall permit the registrant to engage in a
4 business that is taxable under any ordinance or resolution
5 enacted pursuant to this subsection without registering
6 separately with the Department under the ordinance or
7 resolution or under this subsection.

8 The Department shall have full power to administer and
9 enforce this subsection, to collect all taxes and penalties
10 due under this subsection, to dispose of taxes and penalties
11 so collected in the manner provided in this Section and under
12 rules adopted by the Department, and to determine all rights
13 to credit memoranda arising on account of the erroneous
14 payment of a tax or penalty under this subsection.

15 In the administration of and compliance with this
16 subsection, the Department and persons who are subject to this
17 subsection shall have the same rights, remedies, privileges,
18 immunities, powers and duties, and be subject to the same
19 conditions, restrictions, limitations, penalties and
20 definitions of terms, and employ the same modes of procedure
21 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
22 to all provisions contained in those Sections other than (i)
23 the State rate of tax; (ii) the exemption for food for human
24 consumption that is to be consumed off the premises where it is
25 sold (other than alcoholic liquor taxable under Section 8-1 of
26 the Liquor Control Act of 1934 ~~beverages~~, food consisting of

1 or infused with adult use cannabis, soft drinks, candy, and
2 food that has been prepared for immediate consumption), which
3 is authorized to be taxed as provided in this subsection; and
4 (iii) the exemption for food prepared for immediate
5 consumption and transferred incident to a sale of service
6 subject to the Service Occupation Tax Act or the Service Use
7 Tax Act by an entity licensed under the Hospital Licensing
8 Act, the Nursing Home Care Act, the Assisted Living and Shared
9 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
10 Specialized Mental Health Rehabilitation Act of 2013, or the
11 Child Care Act of 1969, or an entity that holds a permit issued
12 pursuant to the Life Care Facilities Act, which is authorized
13 to be taxed as provided in this subsection), 4, 5, 7, 8, 9
14 (except as to the disposition of taxes and penalties

15 collected), 10, 11, 12, 13, 15, 16, 17, 18, 19, and 20 of the
16 Service Occupation Tax Act and all provisions of the Uniform
17 Penalty and Interest Act, as fully as if those provisions were
18 set forth in this Section.

19 Persons subject to any tax imposed under the authority
20 granted in this subsection may reimburse themselves for their
21 serviceman's tax liability by separately stating the tax as an
22 additional charge, which may be stated in combination, in a
23 single amount, with State tax that servicemen are authorized
24 to collect under the Service Use Tax Act, pursuant to any
25 bracketed schedules set forth by the Department.

26 (c) The Department shall immediately pay over to the State

1 Treasurer, ex officio, as trustee, all taxes and penalties
2 collected under this Section. Those taxes and penalties shall
3 be deposited into the Municipal Grocery Tax Trust Fund, a
4 trust fund created in the State treasury. Except as otherwise
5 provided in this Section, moneys in the Municipal Grocery Tax
6 Trust Fund shall be used to make payments to municipalities
7 and for the payment of refunds under this Section.

8 Moneys deposited into the Municipal Grocery Tax Trust Fund
9 under this Section are not subject to appropriation and shall
10 be used as provided in this Section. All deposits into the
11 Municipal Grocery Tax Trust Fund shall be held in the
12 Municipal Grocery Tax Trust Fund by the State Treasurer, ex
13 officio, as trustee separate and apart from all public moneys
14 or funds of this State.

15 Whenever the Department determines that a refund should be
16 made under this Section to a claimant instead of issuing a
17 credit memorandum, the Department shall notify the State
18 Comptroller, who shall cause the order to be drawn for the
19 amount specified and to the person named in the notification
20 from the Department. The refund shall be paid by the State
21 Treasurer out of the Municipal Grocery Tax Trust Fund.

22 (d) As soon as possible after the first day of each month,
23 upon certification of the Department, the Comptroller shall
24 order transferred, and the Treasurer shall transfer, to the
25 STAR Bonds Revenue Fund the local sales tax increment, if any,
26 as defined in the Innovation Development and Economy Act,

1 collected under this Section.

2 After the monthly transfer to the STAR Bonds Revenue Fund,
3 if any, on or before the 25th day of each calendar month, the
4 Department shall prepare and certify to the Comptroller the
5 disbursement of stated sums of money to named municipalities,
6 the municipalities to be those from which retailers have paid
7 taxes or penalties under this Section to the Department during
8 the second preceding calendar month. The amount to be paid to
9 each municipality shall be the amount (not including credit
10 memoranda) collected under this Section during the second
11 preceding calendar month by the Department plus an amount the
12 Department determines is necessary to offset any amounts that
13 were erroneously paid to a different taxing body, and not
14 including an amount equal to the amount of refunds made during
15 the second preceding calendar month by the Department on
16 behalf of such municipality, and not including any amount that
17 the Department determines is necessary to offset any amounts
18 that were payable to a different taxing body but were
19 erroneously paid to the municipality, and not including any
20 amounts that are transferred to the STAR Bonds Revenue Fund.
21 Within 10 days after receipt by the Comptroller of the
22 disbursement certification to the municipalities provided for
23 in this Section to be given to the Comptroller by the
24 Department, the Comptroller shall cause the orders to be drawn
25 for the amounts in accordance with the directions contained in
26 the certification.

1 (e) Nothing in this Section shall be construed to
2 authorize a municipality to impose a tax upon the privilege of
3 engaging in any business which under the Constitution of the
4 United States may not be made the subject of taxation by this
5 State.

6 (f) Except as otherwise provided in this subsection, an

7 ordinance or resolution imposing or discontinuing the tax
8 hereunder or effecting a change in the rate thereof shall
9 either (i) be adopted and a certified copy thereof filed with
10 the Department on or before the first day of April, whereupon
11 the Department shall proceed to administer and enforce this
12 Section as of the first day of July next following the adoption
13 and filing or (ii) be adopted and a certified copy thereof
14 filed with the Department on or before the first day of
15 October, whereupon the Department shall proceed to administer
16 and enforce this Section as of the first day of January next
17 following the adoption and filing.

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

24 (h) As used in this Section, "Department" means the
25 Department of Revenue.

26 For purposes of the tax authorized to be imposed under

1 subsection (a), "groceries" has the same meaning as "food for
2 human consumption that is to be consumed off the premises
3 where it is sold (other than alcoholic liquor taxable under
4 Section 8-1 of the Liquor Control Act of 1934 ~~beverages~~, food
5 consisting of or infused with adult use cannabis, soft drinks,
6 candy, and food that has been prepared for immediate
7 consumption)", as further defined in Section 2-10 of the
8 Retailers' Occupation Tax Act.

9 For purposes of the tax authorized to be imposed under
10 subsection (b), "groceries" has the same meaning as "food for
11 human consumption that is to be consumed off the premises
12 where it is sold (other than alcoholic liquor taxable under
13 Section 8-1 of the Liquor Control Act of 1934 ~~beverages~~, food
14 consisting of or infused with adult use cannabis, soft drinks,
15 candy, and food that has been prepared for immediate
16 consumption)", as further defined in Section 3-10 of the
17 Service Occupation Tax Act. For purposes of the tax authorized
18 to be imposed under subsection (b), "groceries" also means

19 food prepared for immediate consumption and transferred
20 incident to a sale of service subject to the Service
21 Occupation Tax Act or the Service Use Tax Act by an entity
22 licensed under the Hospital Licensing Act, the Nursing Home
23 Care Act, the Assisted Living and Shared Housing Act, the
24 ID/DD Community Care Act, the MC/DD Act, the Specialized
25 Mental Health Rehabilitation Act of 2013, or the Child Care
26 Act of 1969, or an entity that holds a permit issued pursuant

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1 to the Life Care Facilities Act.

2 (i) This Section may be referred to as the Municipal
3 Grocery Occupation Tax Law.

4 (Source: P.A. 103-781, eff. 8-5-24; 104-6, eff. 1-1-26.)

5 (65 ILCS 5/11-74.3-6)

6 Sec. 11-74.3-6. Business district revenue and obligations;
7 business district tax allocation fund.

8 (a) If the corporate authorities of a municipality have
9 approved a business district plan, have designated a business
10 district, and have elected to impose a tax by ordinance
11 pursuant to subsection (10) or (11) of Section 11-74.3-3, then
12 each year after the date of the approval of the ordinance but
13 terminating upon the date all business district project costs
14 and all obligations paying or reimbursing business district
15 project costs, if any, have been paid, but in no event later
16 than the dissolution date, all amounts generated by the
17 retailers' occupation tax and service occupation tax shall be
18 collected and the tax shall be enforced by the Department of
19 Revenue in the same manner as all retailers' occupation taxes
20 and service occupation taxes imposed in the municipality
21 imposing the tax and all amounts generated by the hotel
22 operators' occupation tax shall be collected and the tax shall
23 be enforced by the municipality in the same manner as all hotel
24 operators' occupation taxes imposed in the municipality
25 imposing the tax. The corporate authorities of the

1 municipality shall deposit the proceeds of the taxes imposed
2 under subsections (10) and (11) of Section 11-74.3-3 into a
3 special fund of the municipality called the "[Name of]
4 Business District Tax Allocation Fund" for the purpose of
5 paying or reimbursing business district project costs and
6 obligations incurred in the payment of those costs.

7 (b) The corporate authorities of a municipality that has
8 designated a business district under this Law may, by
9 ordinance, impose a Business District Retailers' Occupation
10 Tax upon all persons engaged in the business of selling
11 tangible personal property, other than an item of tangible
12 personal property titled or registered with an agency of this
13 State's government, at retail in the business district at a
14 rate not to exceed 1% of the gross receipts from the sales made
15 in the course of such business, to be imposed only in 0.25%
16 increments. The tax may not be imposed on tangible personal
17 property taxed at the rate of 1% under the Retailers'
18 Occupation Tax Act (or at the 0% rate imposed under this
19 amendatory Act of the 102nd General Assembly). Beginning
20 December 1, 2019 and through December 31, 2020, this tax is not
21 imposed on sales of aviation fuel unless the tax revenue is
22 expended for airport-related purposes. If the District does
23 not have an airport-related purpose to which it dedicates
24 aviation fuel tax revenue, then aviation fuel is excluded from
25 the tax. Each municipality must comply with the certification
26 requirements for airport-related purposes under Section 2-22

1 of the Retailers' Occupation Tax Act. For purposes of this
2 Section, "airport-related purposes" has the meaning ascribed
3 in Section 6z-20.2 of the State Finance Act. Beginning January
4 1, 2021, this tax is not imposed on sales of aviation fuel for
5 so long as the revenue use requirements of 49 U.S.C. 47107(b)
6 and 49 U.S.C. 47133 are binding on the District.

7 The tax imposed under this subsection and all civil
8 penalties that may be assessed as an incident thereof shall be
9 collected and enforced by the Department of Revenue. The
10 certificate of registration that is issued by the Department

11 to a retailer under the Retailers' Occupation Tax Act shall
12 permit the retailer to engage in a business that is taxable
13 under any ordinance or resolution enacted pursuant to this
14 subsection without registering separately with the Department
15 under such ordinance or resolution or under this subsection.
16 The Department of Revenue shall have full power to administer
17 and enforce this subsection; to collect all taxes and
18 penalties due under this subsection in the manner hereinafter
19 provided; and to determine all rights to credit memoranda
20 arising on account of the erroneous payment of tax or penalty
21 under this subsection. In the administration of, and
22 compliance with, this subsection, the Department and persons
23 who are subject to this subsection shall have the same rights,
24 remedies, privileges, immunities, powers and duties, and be
25 subject to the same conditions, restrictions, limitations,
26 penalties, exclusions, exemptions, and definitions of terms

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1 and employ the same modes of procedure, as are prescribed in
2 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all
3 provisions therein other than the State rate of tax), 2c
4 through 2h, 3 (except as to the disposition of taxes and
5 penalties collected, and except that the retailer's discount
6 is not allowed for taxes paid on aviation fuel that are subject
7 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
8 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k,
9 5l, 5m, 5n, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of
10 the Retailers' Occupation Tax Act and all provisions of the
11 Uniform Penalty and Interest Act, as fully as if those
12 provisions were set forth herein.

13 Persons subject to any tax imposed under this subsection
14 may reimburse themselves for their seller's tax liability
15 under this subsection by separately stating the tax as an
16 additional charge, which charge may be stated in combination,
17 in a single amount, with State taxes that sellers are required
18 to collect under the Use Tax Act, in accordance with such
19 bracket schedules as the Department may prescribe.

20 Whenever the Department determines that a refund should be
21 made under this subsection to a claimant instead of issuing a
22 credit memorandum, the Department shall notify the State

23 Comptroller, who shall cause the order to be drawn for the
24 amount specified and to the person named in the notification
25 from the Department. The refund shall be paid by the State
26 Treasurer out of the business district retailers' occupation

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1 tax fund or the Local Government Aviation Trust Fund, as
2 appropriate.

3 Except as otherwise provided in this paragraph, the
4 Department shall immediately pay over to the State Treasurer,
5 ex officio, as trustee, all taxes, penalties, and interest
6 collected under this subsection for deposit into the business
7 district retailers' occupation tax fund. Taxes and penalties
8 collected on aviation fuel sold on or after December 1, 2019,
9 shall be immediately paid over by the Department to the State
10 Treasurer, ex officio, as trustee, for deposit into the Local
11 Government Aviation Trust Fund. The Department shall only pay
12 moneys into the Local Government Aviation Trust Fund under
13 this Section for so long as the revenue use requirements of 49
14 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
15 District.

16 As soon as possible after the first day of each month,
17 beginning January 1, 2011, upon certification of the
18 Department of Revenue, the Comptroller shall order
19 transferred, and the Treasurer shall transfer, to the STAR
20 Bonds Revenue Fund the local sales tax increment, as defined
21 in the Innovation Development and Economy Act, collected under
22 this subsection during the second preceding calendar month for
23 sales within a STAR bond district.

24 After the monthly transfer to the STAR Bonds Revenue Fund,
25 on or before the 25th day of each calendar month, the
26 Department shall prepare and certify to the Comptroller the

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1 disbursement of stated sums of money to named municipalities
2 from the business district retailers' occupation tax fund, the

3 municipalities to be those from which retailers have paid
4 taxes or penalties under this subsection to the Department
5 during the second preceding calendar month. The amount to be
6 paid to each municipality shall be the amount (not including
7 credit memoranda and not including taxes and penalties
8 collected on aviation fuel sold on or after December 1, 2019)
9 collected under this subsection during the second preceding
10 calendar month by the Department plus an amount the Department
11 determines is necessary to offset any amounts that were
12 erroneously paid to a different taxing body, and not including
13 an amount equal to the amount of refunds made during the second
14 preceding calendar month by the Department, less 2% of that
15 amount (except the amount collected on aviation fuel sold on
16 or after December 1, 2019), which shall be deposited into the
17 Tax Compliance and Administration Fund and shall be used by
18 the Department, subject to appropriation, to cover the costs
19 of the Department in administering and enforcing the
20 provisions of this subsection, on behalf of such municipality,
21 and not including any amount that the Department determines is
22 necessary to offset any amounts that were payable to a
23 different taxing body but were erroneously paid to the
24 municipality, and not including any amounts that are
25 transferred to the STAR Bonds Revenue Fund. Within 10 days
26 after receipt by the Comptroller of the disbursement

1 certification to the municipalities provided for in this
2 subsection to be given to the Comptroller by the Department,
3 the Comptroller shall cause the orders to be drawn for the
4 respective amounts in accordance with the directions contained
5 in the certification. The proceeds of the tax paid to
6 municipalities under this subsection shall be deposited into
7 the Business District Tax Allocation Fund by the municipality.
8 An ordinance imposing or discontinuing the tax under this
9 subsection or effecting a change in the rate thereof shall
10 either (i) be adopted and a certified copy thereof filed with
11 the Department on or before the first day of April, whereupon
12 the Department, if all other requirements of this subsection
13 are met, shall proceed to administer and enforce this
14 subsection as of the first day of July next following the

15 adoption and filing; or (ii) be adopted and a certified copy
16 thereof filed with the Department on or before the first day of
17 October, whereupon, if all other requirements of this
18 subsection are met, the Department shall proceed to administer
19 and enforce this subsection as of the first day of January next
20 following the adoption and filing.

21 The Department of Revenue shall not administer or enforce
22 an ordinance imposing, discontinuing, or changing the rate of
23 the tax under this subsection, until the municipality also
24 provides, in the manner prescribed by the Department, the
25 boundaries of the business district and each address in the
26 business district in such a way that the Department can

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1 determine by its address whether a business is located in the
2 business district. The municipality must provide this boundary
3 and address information to the Department on or before April 1
4 for administration and enforcement of the tax under this
5 subsection by the Department beginning on the following July 1
6 and on or before October 1 for administration and enforcement
7 of the tax under this subsection by the Department beginning
8 on the following January 1. The Department of Revenue shall
9 not administer or enforce any change made to the boundaries of
10 a business district or address change, addition, or deletion
11 until the municipality reports the boundary change or address
12 change, addition, or deletion to the Department in the manner
13 prescribed by the Department. The municipality must provide
14 this boundary change information or address change, addition,
15 or deletion to the Department on or before April 1 for
16 administration and enforcement by the Department of the change
17 beginning on the following July 1 and on or before October 1
18 for administration and enforcement by the Department of the
19 change beginning on the following January 1. The retailers in
20 the business district shall be responsible for charging the
21 tax imposed under this subsection. If a retailer is
22 incorrectly included or excluded from the list of those
23 required to collect the tax under this subsection, both the
24 Department of Revenue and the retailer shall be held harmless
25 if they reasonably relied on information provided by the
26 municipality.

1 A municipality that imposes the tax under this subsection
2 must submit to the Department of Revenue any other information
3 as the Department may require for the administration and
4 enforcement of the tax.

5 When certifying the amount of a monthly disbursement to a
6 municipality under this subsection, the Department shall
7 increase or decrease the amount by an amount necessary to
8 offset any misallocation of previous disbursements. The offset
9 amount shall be the amount erroneously disbursed within the
10 previous 6 months from the time a misallocation is discovered.

11 Nothing in this subsection shall be construed to authorize
12 the municipality to impose a tax upon the privilege of
13 engaging in any business which under the Constitution of the
14 United States may not be made the subject of taxation by this
15 State.

16 If a tax is imposed under this subsection (b), a tax shall
17 also be imposed under subsection (c) of this Section.

18 (c) If a tax has been imposed under subsection (b), a
19 Business District Service Occupation Tax shall also be imposed
20 upon all persons engaged, in the business district, in the
21 business of making sales of service, who, as an incident to
22 making those sales of service, transfer tangible personal
23 property within the business district, either in the form of
24 tangible personal property or in the form of real estate as an
25 incident to a sale of service. The tax shall be imposed at the
26 same rate as the tax imposed in subsection (b) and shall not

1 exceed 1% of the selling price of tangible personal property
2 so transferred within the business district, to be imposed
3 only in 0.25% increments. The tax may not be imposed on
4 tangible personal property taxed at the 1% rate under the
5 Service Occupation Tax Act (or at the 0% rate imposed under
6 this amendatory Act of the 102nd General Assembly). Beginning

7 December 1, 2019, this tax is not imposed on sales of aviation
8 fuel unless the tax revenue is expended for airport-related
9 purposes. If the District does not have an airport-related
10 purpose to which it dedicates aviation fuel tax revenue, then
11 aviation fuel is excluded from the tax. Each municipality must
12 comply with the certification requirements for airport-related
13 purposes under Section 2-22 of the Retailers' Occupation Tax
14 Act. For purposes of this Act, "airport-related purposes" has
15 the meaning ascribed in Section 6z-20.2 of the State Finance
16 Act. Beginning January 1, 2021, this tax is not imposed on
17 sales of aviation fuel for so long as the revenue use
18 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
19 binding on the District.

20 The tax imposed under this subsection and all civil
21 penalties that may be assessed as an incident thereof shall be
22 collected and enforced by the Department of Revenue. The
23 certificate of registration which is issued by the Department
24 to a retailer under the Retailers' Occupation Tax Act or under
25 the Service Occupation Tax Act shall permit such registrant to
26 engage in a business which is taxable under any ordinance or

1 resolution enacted pursuant to this subsection without
2 registering separately with the Department under such
3 ordinance or resolution or under this subsection. The
4 Department of Revenue shall have full power to administer and
5 enforce this subsection; to collect all taxes and penalties
6 due under this subsection; to dispose of taxes and penalties
7 so collected in the manner hereinafter provided; and to
8 determine all rights to credit memoranda arising on account of
9 the erroneous payment of tax or penalty under this subsection.
10 In the administration of, and compliance with this subsection,
11 the Department and persons who are subject to this subsection
12 shall have the same rights, remedies, privileges, immunities,
13 powers and duties, and be subject to the same conditions,
14 restrictions, limitations, penalties, exclusions, exemptions,
15 and definitions of terms and employ the same modes of
16 procedure as are prescribed in Sections 2, 2a through 2d, 3
17 through 3-50 (in respect to all provisions therein other than
18 the State rate of tax), 4 (except that the reference to the

19 State shall be to the business district), 5, 7, 8 (except that
20 the jurisdiction to which the tax shall be a debt to the extent
21 indicated in that Section 8 shall be the municipality), 9
22 (except as to the disposition of taxes and penalties
23 collected, and except that the returned merchandise credit for
24 this tax may not be taken against any State tax, and except
25 that the retailer's discount is not allowed for taxes paid on
26 aviation fuel that are subject to the revenue use requirements

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1 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except
2 the reference therein to Section 2b of the Retailers'
3 Occupation Tax Act), 13 (except that any reference to the
4 State shall mean the municipality), the first paragraph of
5 Section 15, and Sections 16, 17, 18, 19 and 20 of the Service
6 Occupation Tax Act and all provisions of the Uniform Penalty
7 and Interest Act, as fully as if those provisions were set
8 forth herein.

9 Persons subject to any tax imposed under the authority
10 granted in this subsection may reimburse themselves for their
11 serviceman's tax liability hereunder by separately stating the
12 tax as an additional charge, which charge may be stated in
13 combination, in a single amount, with State tax that
14 servicemen are authorized to collect under the Service Use Tax
15 Act, in accordance with such bracket schedules as the
16 Department may prescribe.

17 Whenever the Department determines that a refund should be
18 made under this subsection to a claimant instead of issuing
19 credit memorandum, the Department shall notify the State
20 Comptroller, who shall cause the order to be drawn for the
21 amount specified, and to the person named, in such
22 notification from the Department. Such refund shall be paid by
23 the State Treasurer out of the business district retailers'
24 occupation tax fund or the Local Government Aviation Trust
25 Fund, as appropriate.

26 Except as otherwise provided in this paragraph, the

1 Department shall forthwith pay over to the State Treasurer,
2 ex-officio, as trustee, all taxes, penalties, and interest
3 collected under this subsection for deposit into the business
4 district retailers' occupation tax fund. Taxes and penalties
5 collected on aviation fuel sold on or after December 1, 2019,
6 shall be immediately paid over by the Department to the State
7 Treasurer, ex officio, as trustee, for deposit into the Local
8 Government Aviation Trust Fund. The Department shall only pay
9 moneys into the Local Government Aviation Trust Fund under
10 this Section for so long as the revenue use requirements of 49
11 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
12 District.

13 As soon as possible after the first day of each month,
14 beginning January 1, 2011, upon certification of the
15 Department of Revenue, the Comptroller shall order
16 transferred, and the Treasurer shall transfer, to the STAR
17 Bonds Revenue Fund the local sales tax increment, as defined
18 in the Innovation Development and Economy Act, collected under
19 this subsection during the second preceding calendar month for
20 sales within a STAR bond district.

21 After the monthly transfer to the STAR Bonds Revenue Fund,
22 on or before the 25th day of each calendar month, the
23 Department shall prepare and certify to the Comptroller the
24 disbursement of stated sums of money to named municipalities
25 from the business district retailers' occupation tax fund, the
26 municipalities to be those from which suppliers and servicemen

1 have paid taxes or penalties under this subsection to the
2 Department during the second preceding calendar month. The
3 amount to be paid to each municipality shall be the amount (not
4 including credit memoranda and not including taxes and
5 penalties collected on aviation fuel sold on or after December
6 1, 2019) collected under this subsection during the second
7 preceding calendar month by the Department, less 2% of that
8 amount (except the amount collected on aviation fuel sold on
9 or after December 1, 2019), which shall be deposited into the
10 Tax Compliance and Administration Fund and shall be used by

11 the Department, subject to appropriation, to cover the costs
12 of the Department in administering and enforcing the
13 provisions of this subsection, and not including an amount
14 equal to the amount of refunds made during the second
15 preceding calendar month by the Department on behalf of such
16 municipality, and not including any amounts that are
17 transferred to the STAR Bonds Revenue Fund. Within 10 days
18 after receipt, by the Comptroller, of the disbursement
19 certification to the municipalities, provided for in this
20 subsection to be given to the Comptroller by the Department,
21 the Comptroller shall cause the orders to be drawn for the
22 respective amounts in accordance with the directions contained
23 in such certification. The proceeds of the tax paid to
24 municipalities under this subsection shall be deposited into
25 the Business District Tax Allocation Fund by the municipality.
26 An ordinance imposing or discontinuing the tax under this

1 subsection or effecting a change in the rate thereof shall
2 either (i) be adopted and a certified copy thereof filed with
3 the Department on or before the first day of April, whereupon
4 the Department, if all other requirements of this subsection
5 are met, shall proceed to administer and enforce this
6 subsection as of the first day of July next following the
7 adoption and filing; or (ii) be adopted and a certified copy
8 thereof filed with the Department on or before the first day of
9 October, whereupon, if all other conditions of this subsection
10 are met, the Department shall proceed to administer and
11 enforce this subsection as of the first day of January next
12 following the adoption and filing.

13 The Department of Revenue shall not administer or enforce
14 an ordinance imposing, discontinuing, or changing the rate of
15 the tax under this subsection, until the municipality also
16 provides, in the manner prescribed by the Department, the
17 boundaries of the business district in such a way that the
18 Department can determine by its address whether a business is
19 located in the business district. The municipality must
20 provide this boundary and address information to the
21 Department on or before April 1 for administration and
22 enforcement of the tax under this subsection by the Department

23 beginning on the following July 1 and on or before October 1
24 for administration and enforcement of the tax under this
25 subsection by the Department beginning on the following
26 January 1. The Department of Revenue shall not administer or

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1 enforce any change made to the boundaries of a business
2 district or address change, addition, or deletion until the
3 municipality reports the boundary change or address change,
4 addition, or deletion to the Department in the manner
5 prescribed by the Department. The municipality must provide
6 this boundary change information or address change, addition,
7 or deletion to the Department on or before April 1 for
8 administration and enforcement by the Department of the change
9 beginning on the following July 1 and on or before October 1
10 for administration and enforcement by the Department of the
11 change beginning on the following January 1. The retailers in
12 the business district shall be responsible for charging the
13 tax imposed under this subsection. If a retailer is
14 incorrectly included or excluded from the list of those
15 required to collect the tax under this subsection, both the
16 Department of Revenue and the retailer shall be held harmless
17 if they reasonably relied on information provided by the
18 municipality.

19 A municipality that imposes the tax under this subsection
20 must submit to the Department of Revenue any other information
21 as the Department may require for the administration and
22 enforcement of the tax.

23 Nothing in this subsection shall be construed to authorize
24 the municipality to impose a tax upon the privilege of
25 engaging in any business which under the Constitution of the
26 United States may not be made the subject of taxation by the

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1 State.

2 If a tax is imposed under this subsection (c), a tax shall

3 also be imposed under subsection (b) of this Section.

4 (c-5) If, on January 1, 2025, a unit of local government
5 has in effect a tax under this Section, or if, after January 1,
6 2025, a unit of local government imposes a tax under this
7 Section, then that tax applies to leases of tangible personal
8 property in effect, entered into, or renewed on or after that
9 date in the same manner as the tax under this Section and in
10 accordance with the changes made by this amendatory Act of the
11 103rd General Assembly.

12 (d) By ordinance, a municipality that has designated a
13 business district under this Law may impose an occupation tax
14 upon all persons engaged in the business district in the
15 business of renting, leasing, or letting rooms in a hotel, as
16 defined in the Hotel Operators' Occupation Tax Act, at a rate
17 not to exceed 1% of the gross rental receipts from the renting,
18 leasing, or letting of hotel rooms within the business
19 district, to be imposed only in 0.25% increments, excluding,
20 however, from gross rental receipts the proceeds of renting,
21 leasing, or letting to permanent residents of a hotel, as
22 defined in the Hotel Operators' Occupation Tax Act, and
23 proceeds from the tax imposed under subsection (c) of Section
24 13 of the Metropolitan Pier and Exposition Authority Act.

25 The tax imposed by the municipality under this subsection
26 and all civil penalties that may be assessed as an incident to

1 that tax shall be collected and enforced by the municipality
2 imposing the tax. The municipality shall have full power to
3 administer and enforce this subsection, to collect all taxes
4 and penalties due under this subsection, to dispose of taxes
5 and penalties so collected in the manner provided in this
6 subsection, and to determine all rights to credit memoranda
7 arising on account of the erroneous payment of tax or penalty
8 under this subsection. In the administration of and compliance
9 with this subsection, the municipality and persons who are
10 subject to this subsection shall have the same rights,
11 remedies, privileges, immunities, powers, and duties, shall be
12 subject to the same conditions, restrictions, limitations,
13 penalties, and definitions of terms, and shall employ the same
14 modes of procedure as are employed with respect to a tax

15 adopted by the municipality under Section 8-3-14 of this Code.
16 Persons subject to any tax imposed under the authority
17 granted in this subsection may reimburse themselves for their
18 tax liability for that tax by separately stating that tax as an
19 additional charge, which charge may be stated in combination,
20 in a single amount, with State taxes imposed under the Hotel
21 Operators' Occupation Tax Act, and with any other tax.
22 Nothing in this subsection shall be construed to authorize
23 a municipality to impose a tax upon the privilege of engaging
24 in any business which under the Constitution of the United
25 States may not be made the subject of taxation by this State.
26 The proceeds of the tax imposed under this subsection

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1 shall be deposited into the Business District Tax Allocation
2 Fund.
3 (e) Obligations secured by the Business District Tax
4 Allocation Fund may be issued to provide for the payment or
5 reimbursement of business district project costs. Those
6 obligations, when so issued, shall be retired in the manner
7 provided in the ordinance authorizing the issuance of those
8 obligations by the receipts of taxes imposed pursuant to
9 subsections (10) and (11) of Section 11-74.3-3 and by other
10 revenue designated or pledged by the municipality. A
11 municipality may in the ordinance pledge, for any period of
12 time up to and including the dissolution date, all or any part
13 of the funds in and to be deposited in the Business District
14 Tax Allocation Fund to the payment of business district
15 project costs and obligations. Whenever a municipality pledges
16 all of the funds to the credit of a business district tax
17 allocation fund to secure obligations issued or to be issued
18 to pay or reimburse business district project costs, the
19 municipality may specifically provide that funds remaining to
20 the credit of such business district tax allocation fund after
21 the payment of such obligations shall be accounted for
22 annually and shall be deemed to be "surplus" funds, and such
23 "surplus" funds shall be expended by the municipality for any
24 business district project cost as approved in the business
25 district plan. Whenever a municipality pledges less than all
26 of the monies to the credit of a business district tax

1 allocation fund to secure obligations issued or to be issued
2 to pay or reimburse business district project costs, the
3 municipality shall provide that monies to the credit of the
4 business district tax allocation fund and not subject to such
5 pledge or otherwise encumbered or required for payment of
6 contractual obligations for specific business district project
7 costs shall be calculated annually and shall be deemed to be
8 "surplus" funds, and such "surplus" funds shall be expended by
9 the municipality for any business district project cost as
10 approved in the business district plan.

11 No obligation issued pursuant to this Law and secured by a
12 pledge of all or any portion of any revenues received or to be
13 received by the municipality from the imposition of taxes
14 pursuant to subsection (10) of Section 11-74.3-3, shall be
15 deemed to constitute an economic incentive agreement under
16 Section 8-11-20, notwithstanding the fact that such pledge
17 provides for the sharing, rebate, or payment of retailers'
18 occupation taxes or service occupation taxes imposed pursuant
19 to subsection (10) of Section 11-74.3-3 and received or to be
20 received by the municipality from the development or
21 redevelopment of properties in the business district.

22 Without limiting the foregoing in this Section, the
23 municipality may further secure obligations secured by the
24 business district tax allocation fund with a pledge, for a
25 period not greater than the term of the obligations and in any
26 case not longer than the dissolution date, of any part or any

1 combination of the following: (i) net revenues of all or part
2 of any business district project; (ii) taxes levied or imposed
3 by the municipality on any or all property in the
4 municipality, including, specifically, taxes levied or imposed
5 by the municipality in a special service area pursuant to the
6 Special Service Area Tax Law; (iii) the full faith and credit

7 of the municipality; (iv) a mortgage on part or all of the
8 business district project; or (v) any other taxes or
9 anticipated receipts that the municipality may lawfully
10 pledge.

11 Such obligations may be issued in one or more series, bear
12 such date or dates, become due at such time or times as therein
13 provided, but in any case not later than (i) 20 years after the
14 date of issue or (ii) the dissolution date, whichever is
15 earlier, bear interest payable at such intervals and at such
16 rate or rates as set forth therein, except as may be limited by
17 applicable law, which rate or rates may be fixed or variable,
18 be in such denominations, be in such form, either coupon,
19 registered, or book-entry, carry such conversion, registration
20 and exchange privileges, be subject to defeasance upon such
21 terms, have such rank or priority, be executed in such manner,
22 be payable in such medium or payment at such place or places
23 within or without the State, make provision for a corporate
24 trustee within or without the State with respect to such
25 obligations, prescribe the rights, powers, and duties thereof
26 to be exercised for the benefit of the municipality and the

1 benefit of the owners of such obligations, provide for the
2 holding in trust, investment, and use of moneys, funds, and
3 accounts held under an ordinance, provide for assignment of
4 and direct payment of the moneys to pay such obligations or to
5 be deposited into such funds or accounts directly to such
6 trustee, be subject to such terms of redemption with or
7 without premium, and be sold at such price, all as the
8 corporate authorities shall determine. No referendum approval
9 of the electors shall be required as a condition to the
10 issuance of obligations pursuant to this Law except as
11 provided in this Section.

12 In the event the municipality authorizes the issuance of
13 obligations pursuant to the authority of this Law secured by
14 the full faith and credit of the municipality, or pledges ad
15 valorem taxes pursuant to this subsection, which obligations
16 are other than obligations which may be issued under home rule
17 powers provided by Section 6 of Article VII of the Illinois
18 Constitution or which ad valorem taxes are other than ad

19 valorem taxes which may be pledged under home rule powers
20 provided by Section 6 of Article VII of the Illinois
21 Constitution or which are levied in a special service area
22 pursuant to the Special Service Area Tax Law, the ordinance
23 authorizing the issuance of those obligations or pledging
24 those taxes shall be published within 10 days after the
25 ordinance has been adopted, in a newspaper having a general
26 circulation within the municipality. The publication of the

1 ordinance shall be accompanied by a notice of (i) the specific
2 number of voters required to sign a petition requesting the
3 question of the issuance of the obligations or pledging such
4 ad valorem taxes to be submitted to the electors; (ii) the time
5 within which the petition must be filed; and (iii) the date of
6 the prospective referendum. The municipal clerk shall provide
7 a petition form to any individual requesting one.

8 If no petition is filed with the municipal clerk, as
9 hereinafter provided in this Section, within 21 days after the
10 publication of the ordinance, the ordinance shall be in
11 effect. However, if within that 21-day period a petition is
12 filed with the municipal clerk, signed by electors numbering
13 not less than 15% of the number of electors voting for the
14 mayor or president at the last general municipal election,
15 asking that the question of issuing obligations using full
16 faith and credit of the municipality as security for the cost
17 of paying or reimbursing business district project costs, or
18 of pledging such ad valorem taxes for the payment of those
19 obligations, or both, be submitted to the electors of the
20 municipality, the municipality shall not be authorized to
21 issue obligations of the municipality using the full faith and
22 credit of the municipality as security or pledging such ad
23 valorem taxes for the payment of those obligations, or both,
24 until the proposition has been submitted to and approved by a
25 majority of the voters voting on the proposition at a
26 regularly scheduled election. The municipality shall certify

1 the proposition to the proper election authorities for
2 submission in accordance with the general election law.

3 The ordinance authorizing the obligations may provide that
4 the obligations shall contain a recital that they are issued
5 pursuant to this Law, which recital shall be conclusive
6 evidence of their validity and of the regularity of their
7 issuance.

8 In the event the municipality authorizes issuance of
9 obligations pursuant to this Law secured by the full faith and
10 credit of the municipality, the ordinance authorizing the
11 obligations may provide for the levy and collection of a
12 direct annual tax upon all taxable property within the
13 municipality sufficient to pay the principal thereof and
14 interest thereon as it matures, which levy may be in addition
15 to and exclusive of the maximum of all other taxes authorized
16 to be levied by the municipality, which levy, however, shall
17 be abated to the extent that monies from other sources are
18 available for payment of the obligations and the municipality
19 certifies the amount of those monies available to the county
20 clerk.

21 A certified copy of the ordinance shall be filed with the
22 county clerk of each county in which any portion of the
23 municipality is situated, and shall constitute the authority
24 for the extension and collection of the taxes to be deposited
25 in the business district tax allocation fund.

26 A municipality may also issue its obligations to refund,

1 in whole or in part, obligations theretofore issued by the
2 municipality under the authority of this Law, whether at or
3 prior to maturity. However, the last maturity of the refunding
4 obligations shall not be expressed to mature later than the
5 dissolution date.

6 In the event a municipality issues obligations under home
7 rule powers or other legislative authority, the proceeds of
8 which are pledged to pay or reimburse business district
9 project costs, the municipality may, if it has followed the
10 procedures in conformance with this Law, retire those

11 obligations from funds in the business district tax allocation
12 fund in amounts and in such manner as if those obligations had
13 been issued pursuant to the provisions of this Law.

14 No obligations issued pursuant to this Law shall be
15 regarded as indebtedness of the municipality issuing those
16 obligations or any other taxing district for the purpose of
17 any limitation imposed by law.

18 Obligations issued pursuant to this Law shall not be
19 subject to the provisions of the Bond Authorization Act.

20 (f) When business district project costs, including,
21 without limitation, all obligations paying or reimbursing
22 business district project costs have been paid, any surplus
23 funds then remaining in the Business District Tax Allocation
24 Fund shall be distributed to the municipal treasurer for
25 deposit into the general corporate fund of the municipality.
26 Upon payment of all business district project costs and

1 retirement of all obligations paying or reimbursing business
2 district project costs, but in no event more than 23 years
3 after the date of adoption of the ordinance imposing taxes
4 pursuant to subsection (10) or (11) of Section 11-74.3-3, the
5 municipality shall adopt an ordinance immediately rescinding
6 the taxes imposed pursuant to subsection (10) or (11) of
7 Section 11-74.3-3.

8 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

9 Section 70-80. The Civic Center Code is amended by
10 changing Section 245-12 as follows:

11 (70 ILCS 200/245-12)

12 Sec. 245-12. Use and occupation taxes.

13 (a) The Authority may adopt a resolution that authorizes a
14 referendum on the question of whether the Authority shall be
15 authorized to impose a retailers' occupation tax, a service
16 occupation tax, and a use tax in one-quarter percent
17 increments at a rate not to exceed 1%. The Authority shall
18 certify the question to the proper election authorities who
19 shall submit the question to the voters of the metropolitan
20 area at the next regularly scheduled election in accordance

21 with the general election law. The question shall be in
22 substantially the following form:
23 "Shall the Salem Civic Center Authority be authorized to
24 impose a retailers' occupation tax, a service occupation

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1 tax, and a use tax at the rate of (rate) for the sole
2 purpose of obtaining funds for the support, construction,
3 maintenance, or financing of a facility of the Authority?"
4 Votes shall be recorded as "yes" or "no".

5 If a majority of all votes cast on the proposition are in
6 favor of the proposition, the Authority is authorized to
7 impose the tax.

8 (b) The Authority shall impose the retailers' occupation
9 tax upon all persons engaged in the business of selling
10 tangible personal property at retail in the metropolitan area,
11 at the rate approved by referendum, on the gross receipts from
12 the sales made in the course of such business within the
13 metropolitan area. Beginning December 1, 2019 and through
14 December 31, 2020, this tax is not imposed on sales of aviation
15 fuel unless the tax revenue is expended for airport-related
16 purposes. If the Authority does not have an airport-related
17 purpose to which it dedicates aviation fuel tax revenue, then
18 aviation fuel is excluded from the tax. The Authority must
19 comply with the certification requirements for airport-related
20 purposes under Section 2-22 of the Retailers' Occupation Tax
21 Act. For purposes of this Section, "airport-related purposes"
22 has the meaning ascribed in Section 6z-20.2 of the State
23 Finance Act. Beginning January 1, 2021, this tax is not
24 imposed on sales of aviation fuel for so long as the revenue
25 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
26 binding on the Authority.

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1 The tax imposed under this Section and all civil penalties
2 that may be assessed as an incident thereof shall be collected

3 and enforced by the Department of Revenue. The Department has
4 full power to administer and enforce this Section; to collect
5 all taxes and penalties so collected in the manner provided in
6 this Section; and to determine all rights to credit memoranda
7 arising on account of the erroneous payment of tax or penalty
8 hereunder. In the administration of, and compliance with, this
9 Section, the Department and persons who are subject to this
10 Section shall (i) have the same rights, remedies, privileges,
11 immunities, powers and duties, (ii) be subject to the same
12 conditions, restrictions, limitations, penalties, exclusions,
13 exemptions, and definitions of terms, and (iii) employ the
14 same modes of procedure as are prescribed in Sections 1, 1a,
15 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10
16 (in respect to all provisions therein other than the State
17 rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except as
18 to the disposition of taxes and penalties collected and
19 provisions related to quarter monthly payments, and except
20 that the retailer's discount is not allowed for taxes paid on
21 aviation fuel that are subject to the revenue use requirements
22 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
23 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 7, 8, 9,
24 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act
25 and Section 3-7 of the Uniform Penalty and Interest Act, as
26 fully as if those provisions were set forth in this

1 subsection.

2 Persons subject to any tax imposed under this subsection
3 may reimburse themselves for their seller's tax liability by
4 separately stating the tax as an additional charge, which
5 charge may be stated in combination, in a single amount, with
6 State taxes that sellers are required to collect, in
7 accordance with such bracket schedules as the Department may
8 prescribe.

9 Whenever the Department determines that a refund should be
10 made under this subsection to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the warrant to be drawn for the
13 amount specified, and to the person named, in the notification
14 from the Department. The refund shall be paid by the State

15 Treasurer out of the tax fund referenced under paragraph (g)
16 of this Section or the Local Government Aviation Trust Fund,
17 as appropriate.

18 If a tax is imposed under this subsection (b), a tax shall
19 also be imposed at the same rate under subsections (c) and (d)
20 of this Section.

21 For the purpose of determining whether a tax authorized
22 under this Section is applicable, a retail sale, by a producer
23 of coal or other mineral mined in Illinois, is a sale at retail
24 at the place where the coal or other mineral mined in Illinois
25 is extracted from the earth. This paragraph does not apply to
26 coal or other mineral when it is delivered or shipped by the

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

4 Nothing in this Section shall be construed to authorize
5 the Authority to impose a tax upon the privilege of engaging in
6 any business which under the Constitution of the United States
7 may not be made the subject of taxation by this State.

8 (c) If a tax has been imposed under subsection (b), a
9 service occupation tax shall also be imposed at the same rate
10 upon all persons engaged, in the metropolitan area, in the
11 business of making sales of service, who, as an incident to
12 making those sales of service, transfer tangible personal
13 property within the metropolitan area as an incident to a sale
14 of service. The tax imposed under this subsection and all
15 civil penalties that may be assessed as an incident thereof
16 shall be collected and enforced by the Department of Revenue.

17 Beginning December 1, 2019 and through December 31, 2020,
18 this tax is not imposed on sales of aviation fuel unless the
19 tax revenue is expended for airport-related purposes. If the
20 Authority does not have an airport-related purpose to which it
21 dedicates aviation fuel tax revenue, then aviation fuel is
22 excluded from the tax. The Authority must comply with the
23 certification requirements for airport-related purposes under
24 Section 2-22 of the Retailers' Occupation Tax Act. Beginning
25 January 1, 2021, this tax is not imposed on sales of aviation
26 fuel for so long as the revenue use requirements of 49 U.S.C.

1 47107(b) and 49 U.S.C. 47133 are binding on the Authority.

2 The Department has full power to administer and enforce
3 this paragraph; to collect all taxes and penalties due
4 hereunder; to dispose of taxes and penalties so collected in
5 the manner hereinafter provided; and to determine all rights
6 to credit memoranda arising on account of the erroneous
7 payment of tax or penalty hereunder. In the administration of,
8 and compliance with this paragraph, the Department and persons
9 who are subject to this paragraph shall (i) have the same
10 rights, remedies, privileges, immunities, powers, and duties,
11 (ii) be subject to the same conditions, restrictions,
12 limitations, penalties, exclusions, exemptions, and
13 definitions of terms, and (iii) employ the same modes of
14 procedure as are prescribed in Sections 2 (except that the
15 reference to State in the definition of supplier maintaining a
16 place of business in this State shall mean the metropolitan
17 area), 2a, 2b, 3 through 3-55 (in respect to all provisions
18 therein other than the State rate of tax), 4 (except that the
19 reference to the State shall be to the Authority), 5, 7, 8
20 (except that the jurisdiction to which the tax shall be a debt
21 to the extent indicated in that Section 8 shall be the
22 Authority), 9 (except as to the disposition of taxes and
23 penalties collected, and except that the returned merchandise
24 credit for this tax may not be taken against any State tax, and
25 except that the retailer's discount is not allowed for taxes
26 paid on aviation fuel that are subject to the revenue use

1 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 11,
2 12 (except the reference therein to Section 2b of the
3 Retailers' Occupation Tax Act), 13 (except that any reference
4 to the State shall mean the Authority), 15, 16, 17, 18, 19 and
5 20 of the Service Occupation Tax Act and Section 3-7 of the
6 Uniform Penalty and Interest Act, as fully as if those

7 provisions were set forth herein.

8 Persons subject to any tax imposed under the authority
9 granted in this subsection may reimburse themselves for their
10 serviceman's tax liability by separately stating the tax as an
11 additional charge, which charge may be stated in combination,
12 in a single amount, with State tax that servicemen are
13 authorized to collect under the Service Use Tax Act, in
14 accordance with such bracket schedules as the Department may
15 prescribe.

16 Whenever the Department determines that a refund should be
17 made under this subsection to a claimant instead of issuing a
18 credit memorandum, the Department shall notify the State
19 Comptroller, who shall cause the warrant to be drawn for the
20 amount specified, and to the person named, in the notification
21 from the Department. The refund shall be paid by the State
22 Treasurer out of the tax fund referenced under paragraph (g)
23 of this Section or the Local Government Aviation Trust Fund,
24 as appropriate.

25 Nothing in this paragraph shall be construed to authorize
26 the Authority to impose a tax upon the privilege of engaging in

1 any business which under the Constitution of the United States
2 may not be made the subject of taxation by the State.

3 (c-5) If, on January 1, 2025, a unit of local government
4 has in effect a tax under this Section, or if, after January 1,
5 2025, a unit of local government imposes a tax under this
6 Section, then that tax applies to leases of tangible personal
7 property in effect, entered into, or renewed on or after that
8 date in the same manner as the tax under this Section and in
9 accordance with the changes made by this amendatory Act of the
10 103rd General Assembly.

11 (d) If a tax has been imposed under subsection (b), a use
12 tax shall also be imposed at the same rate upon the privilege
13 of using, in the metropolitan area, any item of tangible
14 personal property that is purchased outside the metropolitan
15 area at retail from a retailer, and that is titled or
16 registered at a location within the metropolitan area with an
17 agency of this State's government. "Selling price" is defined
18 as in the Use Tax Act. The tax shall be collected from persons

19 whose Illinois address for titling or registration purposes is
20 given as being in the metropolitan area. The tax shall be
21 collected by the Department of Revenue for the Authority. The
22 tax must be paid to the State, or an exemption determination
23 must be obtained from the Department of Revenue, before the
24 title or certificate of registration for the property may be
25 issued. The tax or proof of exemption may be transmitted to the
26 Department by way of the State agency with which, or the State

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1 officer with whom, the tangible personal property must be
2 titled or registered if the Department and the State agency or
3 State officer determine that this procedure will expedite the
4 processing of applications for title or registration.

5 The Department has full power to administer and enforce
6 this paragraph; to collect all taxes, penalties and interest
7 due hereunder; to dispose of taxes, penalties and interest so
8 collected in the manner hereinafter provided; and to determine
9 all rights to credit memoranda or refunds arising on account
10 of the erroneous payment of tax, penalty or interest
11 hereunder. In the administration of, and compliance with, this
12 subsection, the Department and persons who are subject to this
13 paragraph shall (i) have the same rights, remedies,
14 privileges, immunities, powers, and duties, (ii) be subject to
15 the same conditions, restrictions, limitations, penalties,
16 exclusions, exemptions, and definitions of terms, and (iii)
17 employ the same modes of procedure as are prescribed in
18 Sections 2 (except the definition of "retailer maintaining a
19 place of business in this State"), 3, 3-5, 3-10, 3-45, 3-55,
20 3-65, 3-70, 3-85, 3a, 4, 6, 7, 8 (except that the jurisdiction
21 to which the tax shall be a debt to the extent indicated in
22 that Section 8 shall be the Authority), 9 (except provisions
23 relating to quarter monthly payments), 10, 11, 12, 12a, 12b,
24 13, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and Section
25 3-7 of the Uniform Penalty and Interest Act, that are not
26 inconsistent with this paragraph, as fully as if those

1 provisions were set forth herein.

2 Whenever the Department determines that a refund should be
3 made under this subsection to a claimant instead of issuing a
4 credit memorandum, the Department shall notify the State
5 Comptroller, who shall cause the order to be drawn for the
6 amount specified, and to the person named, in the notification
7 from the Department. The refund shall be paid by the State
8 Treasurer out of the tax fund referenced under paragraph (g)
9 of this Section.

10 (e) A certificate of registration issued by the State
11 Department of Revenue to a retailer under the Retailers'
12 Occupation Tax Act or under the Service Occupation Tax Act
13 shall permit the registrant to engage in a business that is
14 taxed under the tax imposed under paragraphs (b), (c), or (d)
15 of this Section and no additional registration shall be
16 required. A certificate issued under the Use Tax Act or the
17 Service Use Tax Act shall be applicable with regard to any tax
18 imposed under paragraph (c) of this Section.

19 (f) The results of any election authorizing a proposition
20 to impose a tax under this Section or effecting a change in the
21 rate of tax shall be certified by the proper election
22 authorities and filed with the Illinois Department on or
23 before the first day of April. In addition, an ordinance
24 imposing, discontinuing, or effecting a change in the rate of
25 tax under this Section shall be adopted and a certified copy
26 thereof filed with the Department on or before the first day of

1 April. After proper receipt of such certifications, the
2 Department shall proceed to administer and enforce this
3 Section as of the first day of July next following such
4 adoption and filing.

5 (g) Except as otherwise provided, the Department of
6 Revenue shall, upon collecting any taxes and penalties as
7 provided in this Section, pay the taxes and penalties over to
8 the State Treasurer as trustee for the Authority. The taxes
9 and penalties shall be held in a trust fund outside the State
10 Treasury. Taxes and penalties collected on aviation fuel sold

11 on or after December 1, 2019 and through December 31, 2020,
12 shall be immediately paid over by the Department to the State
13 Treasurer, ex officio, as trustee, for deposit into the Local
14 Government Aviation Trust Fund. The Department shall only pay
15 moneys into the Local Government Aviation Trust Fund under
16 this Section for so long as the revenue use requirements of 49
17 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
18 District. On or before the 25th day of each calendar month, the
19 Department of Revenue shall prepare and certify to the
20 Comptroller of the State of Illinois the amount to be paid to
21 the Authority, which shall be the balance in the fund, less any
22 amount determined by the Department to be necessary for the
23 payment of refunds and not including taxes and penalties
24 collected on aviation fuel sold on or after December 1, 2019.
25 Within 10 days after receipt by the Comptroller of the
26 certification of the amount to be paid to the Authority, the

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1 Comptroller shall cause an order to be drawn for payment for
2 the amount in accordance with the directions contained in the
3 certification. Amounts received from the tax imposed under
4 this Section shall be used only for the support, construction,
5 maintenance, or financing of a facility of the Authority.

6 (h) When certifying the amount of a monthly disbursement
7 to the Authority under this Section, the Department shall
8 increase or decrease the amounts by an amount necessary to
9 offset any miscalculation of previous disbursements. The
10 offset amount shall be the amount erroneously disbursed within
11 the previous 6 months from the time a miscalculation is
12 discovered.

13 (i) This Section may be cited as the Salem Civic Center Use
14 and Occupation Tax Law.

15 (Source: P.A. 103-592, eff. 1-1-25.)

16 Section 70-85. The Flood Prevention District Act is
17 amended by changing Section 25 as follows:

18 (70 ILCS 750/25)

19 Sec. 25. Flood prevention retailers' and service
20 occupation taxes.

21 (a) If the Board of Commissioners of a flood prevention
22 district determines that an emergency situation exists
23 regarding levee repair or flood prevention, and upon an
24 ordinance confirming the determination adopted by the

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1 affirmative vote of a majority of the members of the county
2 board of the county in which the district is situated, the
3 county may impose a flood prevention retailers' occupation tax
4 upon all persons engaged in the business of selling tangible
5 personal property at retail within the territory of the
6 district to provide revenue to pay the costs of providing
7 emergency levee repair and flood prevention and to secure the
8 payment of bonds, notes, and other evidences of indebtedness
9 issued under this Act for a period not to exceed 25 years or as
10 required to repay the bonds, notes, and other evidences of
11 indebtedness issued under this Act. The tax rate shall be
12 0.25% of the gross receipts from all taxable sales made in the
13 course of that business. Beginning December 1, 2019 and
14 through December 31, 2020, this tax is not imposed on sales of
15 aviation fuel unless the tax revenue is expended for
16 airport-related purposes. If the District does not have an
17 airport-related purpose to which it dedicates aviation fuel
18 tax revenue, then aviation fuel is excluded from the tax. The
19 County must comply with the certification requirements for
20 airport-related purposes under Section 2-22 of the Retailers'
21 Occupation Tax Act. The tax imposed under this Section and all
22 civil penalties that may be assessed as an incident thereof
23 shall be collected and enforced by the State Department of
24 Revenue. The Department shall have full power to administer
25 and enforce this Section; to collect all taxes and penalties
26 so collected in the manner hereinafter provided; and to

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1 determine all rights to credit memoranda arising on account of
2 the erroneous payment of tax or penalty hereunder.

3 For purposes of this Act, "airport-related purposes" has
4 the meaning ascribed in Section 6z-20.2 of the State Finance
5 Act. Beginning January 1, 2021, this tax is not imposed on
6 sales of aviation fuel for so long as the revenue use
7 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
8 binding on the District.

9 In the administration of and compliance with this
10 subsection, the Department and persons who are subject to this
11 subsection (i) have the same rights, remedies, privileges,
12 immunities, powers, and duties, (ii) are subject to the same
13 conditions, restrictions, limitations, penalties, and
14 definitions of terms, and (iii) shall employ the same modes of
15 procedure as are set forth in Sections 1 through 1o, 2 through
16 2-70 (in respect to all provisions contained in those Sections
17 other than the State rate of tax), 2a through 2h, 3 (except as
18 to the disposition of taxes and penalties collected, and
19 except that the retailer's discount is not allowed for taxes
20 paid on aviation fuel that are subject to the revenue use
21 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
22 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a,
23 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
24 Occupation Tax Act and all provisions of the Uniform Penalty
25 and Interest Act as if those provisions were set forth in this
26 subsection.

1 Persons subject to any tax imposed under this Section may
2 reimburse themselves for their seller's tax liability
3 hereunder by separately stating the tax as an additional
4 charge, which charge may be stated in combination in a single
5 amount with State taxes that sellers are required to collect
6 under the Use Tax Act, under any bracket schedules the
7 Department may prescribe.

8 If a tax is imposed under this subsection (a), a tax shall
9 also be imposed under subsection (b) of this Section.

10 (b) If a tax has been imposed under subsection (a), a flood
11 prevention service occupation tax shall also be imposed upon
12 all persons engaged within the territory of the district in
13 the business of making sales of service, who, as an incident to
14 making the sales of service, transfer tangible personal

15 property, either in the form of tangible personal property or
16 in the form of real estate as an incident to a sale of service
17 to provide revenue to pay the costs of providing emergency
18 levee repair and flood prevention and to secure the payment of
19 bonds, notes, and other evidences of indebtedness issued under
20 this Act for a period not to exceed 25 years or as required to
21 repay the bonds, notes, and other evidences of indebtedness.
22 The tax rate shall be 0.25% of the selling price of all
23 tangible personal property transferred. Beginning December 1,
24 2019 and through December 31, 2020, this tax is not imposed on
25 sales of aviation fuel unless the tax revenue is expended for
26 airport-related purposes. If the District does not have an

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1 airport-related purpose to which it dedicates aviation fuel
2 tax revenue, then aviation fuel is excluded from the tax. The
3 County must comply with the certification requirements for
4 airport-related purposes under Section 2-22 of the Retailers'
5 Occupation Tax Act. For purposes of this Act, "airport-related
6 purposes" has the meaning ascribed in Section 6z-20.2 of the
7 State Finance Act. Beginning January 1, 2021, this tax is not
8 imposed on sales of aviation fuel for so long as the revenue
9 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
10 binding on the District.

11 The tax imposed under this subsection and all civil
12 penalties that may be assessed as an incident thereof shall be
13 collected and enforced by the State Department of Revenue. The
14 Department shall have full power to administer and enforce
15 this subsection; to collect all taxes and penalties due
16 hereunder; to dispose of taxes and penalties collected in the
17 manner hereinafter provided; and to determine all rights to
18 credit memoranda arising on account of the erroneous payment
19 of tax or penalty hereunder.

20 In the administration of and compliance with this
21 subsection, the Department and persons who are subject to this
22 subsection shall (i) have the same rights, remedies,
23 privileges, immunities, powers, and duties, (ii) be subject to
24 the same conditions, restrictions, limitations, penalties, and
25 definitions of terms, and (iii) employ the same modes of
26 procedure as are set forth in Sections 2 (except that the

1 reference to State in the definition of supplier maintaining a
2 place of business in this State means the district), 2a
3 through 2d, 3 through 3-50 (in respect to all provisions
4 contained in those Sections other than the State rate of tax),
5 4 (except that the reference to the State shall be to the
6 district), 5, 7, 8 (except that the jurisdiction to which the
7 tax is a debt to the extent indicated in that Section 8 is the
8 district), 9 (except as to the disposition of taxes and
9 penalties collected, and except that the retailer's discount
10 is not allowed for taxes paid on aviation fuel that are subject
11 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
12 U.S.C. 47133), 10, 11, 12 (except the reference therein to
13 Section 2b of the Retailers' Occupation Tax Act), 13 (except
14 that any reference to the State means the district), Section
15 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act
16 and all provisions of the Uniform Penalty and Interest Act, as
17 fully as if those provisions were set forth herein.

18 Persons subject to any tax imposed under the authority
19 granted in this subsection may reimburse themselves for their
20 serviceman's tax liability hereunder by separately stating the
21 tax as an additional charge, that charge may be stated in
22 combination in a single amount with State tax that servicemen
23 are authorized to collect under the Service Use Tax Act, under
24 any bracket schedules the Department may prescribe.

25 (c) The taxes imposed in subsections (a) and (b) may not be
26 imposed on personal property titled or registered with an

1 agency of the State or on personal property taxed at the 1%
2 rate under the Retailers' Occupation Tax Act and the Service
3 Occupation Tax Act (or at the 0% rate imposed under this
4 amendatory Act of the 102nd General Assembly).

5 (c-5) If, on January 1, 2025, a unit of local government
6 has in effect a tax under this Section, or if, after January 1,

7 2025, a unit of local government imposes a tax under this
8 Section, then that tax applies to leases of tangible personal
9 property in effect, entered into, or renewed on or after that
10 date in the same manner as the tax under this Section and in
11 accordance with the changes made by this amendatory Act of the
12 103rd General Assembly.

13 (d) Nothing in this Section shall be construed to
14 authorize the district to impose a tax upon the privilege of
15 engaging in any business that under the Constitution of the
16 United States may not be made the subject of taxation by the
17 State.

18 (e) The certificate of registration that is issued by the
19 Department to a retailer under the Retailers' Occupation Tax
20 Act or a serviceman under the Service Occupation Tax Act
21 permits the retailer or serviceman to engage in a business
22 that is taxable without registering separately with the
23 Department under an ordinance or resolution under this
24 Section.

25 (f) Except as otherwise provided, the Department shall
26 immediately pay over to the State Treasurer, ex officio, as

1 trustee, all taxes and penalties collected under this Section
2 to be deposited into the Flood Prevention Occupation Tax Fund,
3 which shall be an unappropriated trust fund held outside the
4 State treasury. Taxes and penalties collected on aviation fuel
5 sold on or after December 1, 2019 and through December 31,
6 2020, shall be immediately paid over by the Department to the
7 State Treasurer, ex officio, as trustee, for deposit into the
8 Local Government Aviation Trust Fund. The Department shall
9 only pay moneys into the Local Government Aviation Trust Fund
10 under this Act for so long as the revenue use requirements of
11 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
12 District.

13 On or before the 25th day of each calendar month, the
14 Department shall prepare and certify to the Comptroller the
15 disbursement of stated sums of money to the counties from
16 which retailers or servicemen have paid taxes or penalties to
17 the Department during the second preceding calendar month. The
18 amount to be paid to each county is equal to the amount (not

19 including credit memoranda and not including taxes and
20 penalties collected on aviation fuel sold on or after December
21 1, 2019 and through December 31, 2020) collected from the
22 county under this Section during the second preceding calendar
23 month by the Department, (i) less 2% of that amount (except the
24 amount collected on aviation fuel sold on or after December 1,
25 2019 and through December 31, 2020), which shall be deposited
26 into the Tax Compliance and Administration Fund and shall be

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1 used by the Department in administering and enforcing the
2 provisions of this Section on behalf of the county, (ii) plus
3 an amount that the Department determines is necessary to
4 offset any amounts that were erroneously paid to a different
5 taxing body; (iii) less an amount equal to the amount of
6 refunds made during the second preceding calendar month by the
7 Department on behalf of the county; and (iv) less any amount
8 that the Department determines is necessary to offset any
9 amounts that were payable to a different taxing body but were
10 erroneously paid to the county. When certifying the amount of
11 a monthly disbursement to a county under this Section, the
12 Department shall increase or decrease the amounts by an amount
13 necessary to offset any miscalculation of previous
14 disbursements within the previous 6 months from the time a
15 miscalculation is discovered.

16 Within 10 days after receipt by the Comptroller from the
17 Department of the disbursement certification to the counties
18 provided for in this Section, the Comptroller shall cause the
19 orders to be drawn for the respective amounts in accordance
20 with directions contained in the certification.

21 If the Department determines that a refund should be made
22 under this Section to a claimant instead of issuing a credit
23 memorandum, then the Department shall notify the Comptroller,
24 who shall cause the order to be drawn for the amount specified
25 and to the person named in the notification from the
26 Department. The refund shall be paid by the Treasurer out of

1 the Flood Prevention Occupation Tax Fund or the Local
2 Government Aviation Trust Fund, as appropriate.

3 (g) If a county imposes a tax under this Section, then the
4 county board shall, by ordinance, discontinue the tax upon the
5 payment of all indebtedness of the flood prevention district.
6 The tax shall not be discontinued until all indebtedness of
7 the District has been paid.

8 (h) Any ordinance imposing the tax under this Section, or
9 any ordinance that discontinues the tax, must be certified by
10 the county clerk and filed with the Illinois Department of
11 Revenue either (i) on or before the first day of April,
12 whereupon the Department shall proceed to administer and
13 enforce the tax or change in the rate as of the first day of
14 July next following the filing; or (ii) on or before the first
15 day of October, whereupon the Department shall proceed to
16 administer and enforce the tax or change in the rate as of the
17 first day of January next following the filing.

18 (j) County Flood Prevention Occupation Tax Fund. All
19 proceeds received by a county from a tax distribution under
20 this Section must be maintained in a special fund known as the
21 [name of county] flood prevention occupation tax fund. The
22 county shall, at the direction of the flood prevention
23 district, use moneys in the fund to pay the costs of providing
24 emergency levee repair and flood prevention and to pay bonds,
25 notes, and other evidences of indebtedness issued under this
26 Act.

1 (k) This Section may be cited as the Flood Prevention
2 Occupation Tax Law.

3 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

4 Section 70-90. The Metro-East Park and Recreation District
5 Act is amended by changing Section 30 as follows:

6 (70 ILCS 1605/30)

7 Sec. 30. Taxes.

8 (a) The board shall impose a tax upon all persons engaged

9 in the business of selling tangible personal property, other
10 than personal property titled or registered with an agency of
11 this State's government, at retail in the District on the
12 gross receipts from the sales made in the course of business.
13 This tax shall be imposed only at the rate of one-tenth of one
14 per cent.

15 This additional tax may not be imposed on tangible
16 personal property taxed at the 1% rate under the Retailers'
17 Occupation Tax Act (or at the 0% rate imposed under this
18 amendatory Act of the 102nd General Assembly). Beginning
19 December 1, 2019 and through December 31, 2020, this tax is not
20 imposed on sales of aviation fuel unless the tax revenue is
21 expended for airport-related purposes. If the District does
22 not have an airport-related purpose to which it dedicates
23 aviation fuel tax revenue, then aviation fuel shall be
24 excluded from tax. The board must comply with the

1 certification requirements for airport-related purposes under
2 Section 2-22 of the Retailers' Occupation Tax Act. For
3 purposes of this Act, "airport-related purposes" has the
4 meaning ascribed in Section 6z-20.2 of the State Finance Act.
5 Beginning January 1, 2021, this tax is not imposed on sales of
6 aviation fuel for so long as the revenue use requirements of 49
7 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
8 District. The tax imposed by the Board under this Section and
9 all civil penalties that may be assessed as an incident of the
10 tax shall be collected and enforced by the Department of
11 Revenue. The certificate of registration that is issued by the
12 Department to a retailer under the Retailers' Occupation Tax
13 Act shall permit the retailer to engage in a business that is
14 taxable without registering separately with the Department
15 under an ordinance or resolution under this Section. The
16 Department has full power to administer and enforce this
17 Section, to collect all taxes and penalties due under this
18 Section, to dispose of taxes and penalties so collected in the
19 manner provided in this Section, and to determine all rights
20 to credit memoranda arising on account of the erroneous
21 payment of a tax or penalty under this Section. In the
22 administration of and compliance with this Section, the

23 Department and persons who are subject to this Section shall
24 (i) have the same rights, remedies, privileges, immunities,
25 powers, and duties, (ii) be subject to the same conditions,
26 restrictions, limitations, penalties, and definitions of

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1 terms, and (iii) employ the same modes of procedure as are
2 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
3 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions
4 contained in those Sections other than the State rate of tax),
5 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions
6 relating to transaction returns and quarter monthly payments,
7 and except that the retailer's discount is not allowed for
8 taxes paid on aviation fuel that are subject to the revenue use
9 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
10 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a,
11 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
12 Occupation Tax Act and the Uniform Penalty and Interest Act as
13 if those provisions were set forth in this Section.

14 Persons subject to any tax imposed under the authority
15 granted in this Section may reimburse themselves for their
16 sellers' tax liability by separately stating the tax as an
17 additional charge, which charge may be stated in combination,
18 in a single amount, with State tax which sellers are required
19 to collect under the Use Tax Act, pursuant to such bracketed
20 schedules as the Department may prescribe.

21 Whenever the Department determines that a refund should be
22 made under this Section to a claimant instead of issuing a
23 credit memorandum, the Department shall notify the State
24 Comptroller, who shall cause the order to be drawn for the
25 amount specified and to the person named in the notification
26 from the Department. The refund shall be paid by the State

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1 Treasurer out of the State Metro-East Park and Recreation
2 District Fund or the Local Government Aviation Trust Fund, as

3 appropriate.

4 (b) If a tax has been imposed under subsection (a), a
5 service occupation tax shall also be imposed ~~at the same rate~~
6 upon all persons engaged, in the District, in the business of
7 making sales of service, at the same rate of tax imposed under
8 subsection (a), on the selling price of all ~~who, as an incident~~
9 ~~to making those sales of service, transfer~~ tangible personal
10 property transferred by the serviceman within the District as
11 an incident to a sale of service. This tax may not be imposed
12 on tangible personal property taxed at the 1% rate under the
13 Service Occupation Tax Act (or at the 0% rate imposed under
14 this amendatory Act of the 102nd General Assembly). Beginning
15 December 1, 2019 and through December 31, 2020, this tax may
16 not be imposed on sales of aviation fuel unless the tax revenue
17 is expended for airport-related purposes. If the District does
18 not have an airport-related purpose to which it dedicates
19 aviation fuel tax revenue, then aviation fuel shall be
20 excluded from tax. The board must comply with the
21 certification requirements for airport-related purposes under
22 Section 2-22 of the Retailers' Occupation Tax Act. For
23 purposes of this Act, "airport-related purposes" has the
24 meaning ascribed in Section 6z-20.2 of the State Finance Act.
25 Beginning January 1, 2021, this tax is not imposed on sales of
26 aviation fuel for so long as the revenue use requirements of 49

1 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
2 District. The tax imposed under this subsection and all civil
3 penalties that may be assessed as an incident thereof shall be
4 collected and enforced by the Department of Revenue. The
5 Department has full power to administer and enforce this
6 subsection; to collect all taxes and penalties due hereunder;
7 to dispose of taxes and penalties so collected in the manner
8 hereinafter provided; and to determine all rights to credit
9 memoranda arising on account of the erroneous payment of tax
10 or penalty hereunder. In the administration of, and compliance
11 with this subsection, the Department and persons who are
12 subject to this paragraph shall (i) have the same rights,
13 remedies, privileges, immunities, powers, and duties, (ii) be
14 subject to the same conditions, restrictions, limitations,

15 penalties, exclusions, exemptions, and definitions of terms,
16 and (iii) employ the same modes of procedure as are prescribed
17 in Sections 2 (except that the reference to State in the
18 definition of supplier maintaining a place of business in this
19 State shall mean the District), 2a, 2b, 2c, 3 through 3-50 (in
20 respect to all provisions therein other than the State rate of
21 tax), 4 (except that the reference to the State shall be to the
22 District), 5, 7, 8 (except that the jurisdiction to which the
23 tax shall be a debt to the extent indicated in that Section 8
24 shall be the District), 9 (except as to the disposition of
25 taxes and penalties collected, and except that the retailer's
26 discount is not allowed for taxes paid on aviation fuel that

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1 are subject to the revenue use requirements of 49 U.S.C.
2 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the
3 reference therein to Section 2b of the Retailers' Occupation
4 Tax Act), 13 (except that any reference to the State shall mean
5 the District), Sections 15, 16, 17, 18, 19 and 20 of the
6 Service Occupation Tax Act and the Uniform Penalty and
7 Interest Act, as fully as if those provisions were set forth
8 herein.

9 Persons subject to any tax imposed under the authority
10 granted in this subsection may reimburse themselves for their
11 serviceman's tax liability by separately stating the tax as an
12 additional charge, which charge may be stated in combination,
13 in a single amount, with State tax that servicemen are
14 authorized to collect under the Service Use Tax Act, in
15 accordance with such bracket schedules as the Department may
16 prescribe.

17 Whenever the Department determines that a refund should be
18 made under this subsection to a claimant instead of issuing a
19 credit memorandum, the Department shall notify the State
20 Comptroller, who shall cause the warrant to be drawn for the
21 amount specified, and to the person named, in the notification
22 from the Department. The refund shall be paid by the State
23 Treasurer out of the State Metro-East Park and Recreation
24 District Fund or the Local Government Aviation Trust Fund, as
25 appropriate.

26 Nothing in this subsection shall be construed to authorize

1 the board to impose a tax upon the privilege of engaging in any
2 business which under the Constitution of the United States may
3 not be made the subject of taxation by the State.

4 (b-5) If, on January 1, 2025, a unit of local government
5 has in effect a tax under this Section, or if, after January 1,
6 2025, a unit of local government imposes a tax under this
7 Section, then that tax applies to leases of tangible personal
8 property in effect, entered into, or renewed on or after that
9 date in the same manner as the tax under this Section and in
10 accordance with the changes made by this amendatory Act of the
11 103rd General Assembly.

12 (c) Except as otherwise provided in this paragraph, the
13 Department shall immediately pay over to the State Treasurer,
14 ex officio, as trustee, all taxes and penalties collected
15 under this Section to be deposited into the State Metro-East
16 Park and Recreation District Fund, which shall be an
17 unappropriated trust fund held outside of the State treasury.
18 Taxes and penalties collected on aviation fuel sold on or
19 after December 1, 2019 and through December 31, 2020, shall be
20 immediately paid over by the Department to the State
21 Treasurer, ex officio, as trustee, for deposit into the Local
22 Government Aviation Trust Fund. The Department shall only pay
23 moneys into the Local Government Aviation Trust Fund under
24 this Act for so long as the revenue use requirements of 49
25 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
26 District.

1 As soon as possible after the first day of each month,
2 beginning January 1, 2011, upon certification of the
3 Department of Revenue, the Comptroller shall order
4 transferred, and the Treasurer shall transfer, to the STAR
5 Bonds Revenue Fund the local sales tax increment, as defined
6 in the Innovation Development and Economy Act, collected under

7 this Section during the second preceding calendar month for
8 sales within a STAR bond district. The Department shall make
9 this certification only if the Metro East Park and Recreation
10 District imposes a tax on real property as provided in the
11 definition of "local sales taxes" under the Innovation
12 Development and Economy Act.

13 After the monthly transfer to the STAR Bonds Revenue Fund,
14 on or before the 25th day of each calendar month, the
15 Department shall prepare and certify to the Comptroller the
16 disbursement of stated sums of money pursuant to Section 35 of
17 this Act to the District from which retailers have paid taxes
18 or penalties to the Department during the second preceding
19 calendar month. The amount to be paid to the District shall be
20 the amount (not including credit memoranda and not including
21 taxes and penalties collected on aviation fuel sold on or
22 after December 1, 2019 and through December 31, 2020)
23 collected under this Section during the second preceding
24 calendar month by the Department plus an amount the Department
25 determines is necessary to offset any amounts that were
26 erroneously paid to a different taxing body, and not including

1 (i) an amount equal to the amount of refunds made during the
2 second preceding calendar month by the Department on behalf of
3 the District, (ii) any amount that the Department determines
4 is necessary to offset any amounts that were payable to a
5 different taxing body but were erroneously paid to the
6 District, (iii) any amounts that are transferred to the STAR
7 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the
8 Department shall transfer into the Tax Compliance and
9 Administration Fund. The Department, at the time of each
10 monthly disbursement to the District, shall prepare and
11 certify to the State Comptroller the amount to be transferred
12 into the Tax Compliance and Administration Fund under this
13 subsection. Within 10 days after receipt by the Comptroller of
14 the disbursement certification to the District and the Tax
15 Compliance and Administration Fund provided for in this
16 Section to be given to the Comptroller by the Department, the
17 Comptroller shall cause the orders to be drawn for the
18 respective amounts in accordance with directions contained in

19 the certification.

20 (d) For the purpose of determining whether a tax
21 authorized under this Section is applicable, a retail sale by
22 a producer of coal or another mineral mined in Illinois is a
23 sale at retail at the place where the coal or other mineral
24 mined in Illinois is extracted from the earth. This paragraph
25 does not apply to coal or another mineral when it is delivered
26 or shipped by the seller to the purchaser at a point outside

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

3 (e) Nothing in this Section shall be construed to
4 authorize the board to impose a tax upon the privilege of
5 engaging in any business that under the Constitution of the
6 United States may not be made the subject of taxation by this
7 State.

8 (f) An ordinance imposing a tax under this Section or an
9 ordinance extending the imposition of a tax to an additional
10 county or counties shall be certified by the board and filed
11 with the Department of Revenue either (i) on or before the
12 first day of April, whereupon the Department shall proceed to
13 administer and enforce the tax as of the first day of July next
14 following the filing; or (ii) on or before the first day of
15 October, whereupon the Department shall proceed to administer
16 and enforce the tax as of the first day of January next
17 following the filing.

18 (g) When certifying the amount of a monthly disbursement
19 to the District under this Section, the Department shall
20 increase or decrease the amounts by an amount necessary to
21 offset any misallocation of previous disbursements. The offset
22 amount shall be the amount erroneously disbursed within the
23 previous 6 months from the time a misallocation is discovered.
24 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

25 Section 70-95. The Local Mass Transit District Act is

1 amended by changing Section 5.01 as follows:

2 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

3 Sec. 5.01. Metro East Mass Transit District; use and
4 occupation taxes.

5 (a) The Board of Trustees of any Metro East Mass Transit
6 District may, by ordinance adopted with the concurrence of
7 two-thirds of the then trustees, impose throughout the
8 District any or all of the taxes and fees provided in this
9 Section. Except as otherwise provided, all taxes and fees
10 imposed under this Section shall be used only for public mass
11 transportation systems, and the amount used to provide mass
12 transit service to unserved areas of the District shall be in
13 the same proportion to the total proceeds as the number of
14 persons residing in the unserved areas is to the total
15 population of the District. Except as otherwise provided in
16 this Act, taxes imposed under this Section and civil penalties
17 imposed incident thereto shall be collected and enforced by
18 the State Department of Revenue. The Department shall have the
19 power to administer and enforce the taxes and to determine all
20 rights for refunds for erroneous payments of the taxes.

21 (b) The Board may impose a Metro East Mass Transit
22 District Retailers' Occupation Tax upon all persons engaged in
23 the business of selling tangible personal property at retail
24 in the district at a rate of 1/4 of 1%, or as authorized under
25 subsection (d-5) of this Section, of the gross receipts from

1 the sales made in the course of such business within the
2 district, including sales of food for human consumption that
3 is to be consumed off the premises where it is sold (other than
4 alcoholic liquor taxable under Section 8-1 of the Liquor
5 Control Act of 1934, beverages, food consisting of or infused
6 with adult use cannabis, soft drinks, candy, and food that has
7 been prepared for immediate consumption), except that the rate
8 of tax imposed under this Section on sales of aviation fuel on
9 or after December 1, 2019 shall be 0.25% in Madison County
10 unless the Metro-East Mass Transit District in Madison County

11 has an "airport-related purpose" and any additional amount
12 authorized under subsection (d-5) is expended for
13 airport-related purposes. If there is no airport-related
14 purpose to which aviation fuel tax revenue is dedicated, then
15 aviation fuel is excluded from any additional amount
16 authorized under subsection (d-5). The rate in St. Clair
17 County shall be 0.25% unless the Metro-East Mass Transit
18 District in St. Clair County has an "airport-related purpose"
19 and the additional 0.50% of the 0.75% tax on aviation fuel
20 imposed in that County is expended for airport-related
21 purposes. If there is no airport-related purpose to which
22 aviation fuel tax revenue is dedicated, then aviation fuel is
23 excluded from the additional 0.50% of the 0.75% tax.
24 The Board must comply with the certification requirements
25 for airport-related purposes under Section 2-22 of the
26 Retailers' Occupation Tax Act. For purposes of this Section,

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1 "airport-related purposes" has the meaning ascribed in Section
2 6z-20.2 of the State Finance Act. This exclusion for aviation
3 fuel only applies for so long as the revenue use requirements
4 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
5 District.

6 The tax imposed under this Section and all civil penalties
7 that may be assessed as an incident thereof shall be collected
8 and enforced by the State Department of Revenue. The
9 Department shall have full power to administer and enforce
10 this Section; to collect all taxes and penalties so collected
11 in the manner hereinafter provided; and to determine all
12 rights to credit memoranda arising on account of the erroneous
13 payment of tax or penalty hereunder. In the administration of,
14 and compliance with, this Section, the Department and persons
15 who are subject to this Section shall have the same rights,
16 remedies, privileges, immunities, powers and duties, and be
17 subject to the same conditions, restrictions, limitations,
18 penalties, exclusions, exemptions and definitions of terms and
19 employ the same modes of procedure, as are prescribed in
20 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
21 (in respect to all provisions therein other than the State
22 rate of tax and other than the exemption for food for human

23 consumption that is to be consumed off the premises where it is
24 sold (other than alcoholic liquor taxable under Section 8-1 of
25 the Liquor Control Act of 1934, beverages, food consisting of
26 or infused with adult use cannabis, soft drinks, candy, and

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1 food that has been prepared for immediate consumption), which
2 is taxed at the rate as provided in this subsection), 2c, 3
3 (except as to the disposition of taxes and penalties
4 collected, and except that the retailer's discount is not
5 allowed for taxes paid on aviation fuel that are subject to the
6 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
7 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l,
8 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of
9 the Retailers' Occupation Tax Act and Section 3-7 of the
10 Uniform Penalty and Interest Act, as fully as if those
11 provisions were set forth herein.

12 Persons subject to any tax imposed under the Section may
13 reimburse themselves for their seller's tax liability
14 hereunder by separately stating the tax as an additional
15 charge, which charge may be stated in combination, in a single
16 amount, with State taxes that sellers are required to collect
17 under the Use Tax Act, in accordance with such bracket
18 schedules as the Department may prescribe.

19 Whenever the Department determines that a refund should be
20 made under this Section to a claimant instead of issuing a
21 credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause the warrant to be drawn for the
23 amount specified, and to the person named, in the notification
24 from the Department. The refund shall be paid by the State
25 Treasurer out of the Metro East Mass Transit District tax fund
26 established under paragraph (h) of this Section or the Local

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1 Government Aviation Trust Fund, as appropriate.

2 If a tax is imposed under this subsection (b), a tax shall

3 also be imposed under subsections (c) and (d) of this Section.

4 For the purpose of determining whether a tax authorized
5 under this Section is applicable, a retail sale, by a producer
6 of coal or other mineral mined in Illinois, is a sale at retail
7 at the place where the coal or other mineral mined in Illinois
8 is extracted from the earth. This paragraph does not apply to
9 coal or other mineral when it is delivered or shipped by the
10 seller to the purchaser at a point outside Illinois so that the
11 sale is exempt under the Federal Constitution as a sale in
12 interstate or foreign commerce.

13 No tax shall be imposed or collected under this subsection
14 on the sale of a motor vehicle in this State to a resident of
15 another state if that motor vehicle will not be titled in this
16 State.

17 Nothing in this Section shall be construed to authorize
18 the Metro East Mass Transit District to impose a tax upon the
19 privilege of engaging in any business which under the
20 Constitution of the United States may not be made the subject
21 of taxation by this State.

22 (c) If a tax has been imposed under subsection (b), a Metro
23 East Mass Transit District Service Occupation Tax shall also
24 be imposed upon all persons engaged, in the district, in the
25 business of making sales of service, who, as an incident to
26 making those sales of service, transfer tangible personal

1 property within the District, either in the form of tangible
2 personal property or in the form of real estate as an incident
3 to a sale of service. The tax rate shall be (1) 1/4%, or as
4 authorized under subsection (d-5) of this Section, of the
5 selling price of tangible personal property so transferred
6 within the district, including food for human consumption that
7 is to be consumed off the premises where it is sold (other than
8 alcoholic liquor taxable under Section 8-1 of the Liquor
9 Control Act of 1934, beverages, food consisting of or infused
10 with adult use cannabis, soft drinks, candy, and food that has
11 been prepared for immediate consumption); and (2) 1/4%, or as
12 authorized under subsection (d-5) of this Section, of the
13 serviceman's cost price of food prepared for immediate
14 consumption and transferred incident to a sale of service

15 subject to the service occupation tax by an entity that is
16 licensed under the Hospital Licensing Act, the Nursing Home
17 Care Act, the Assisted Living and Shared Housing Act, the
18 Specialized Mental Health Rehabilitation Act of 2013, the
19 ID/DD Community Care Act, or the MC/DD Act, or the Child Care
20 Act of 1969, or an entity that holds a permit issued pursuant
21 to the Life Care Facilities Act. However, the rate of tax
22 imposed in these Counties under this Section on sales of
23 aviation fuel on or after December 1, 2019 shall be 0.25% in
24 Madison County unless the Metro-East Mass Transit District in
25 Madison County has an "airport-related purpose" and any
26 additional amount authorized under subsection (d-5) is

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1 expended for airport-related purposes. If there is no
2 airport-related purpose to which aviation fuel tax revenue is
3 dedicated, then aviation fuel is excluded from any additional
4 amount authorized under subsection (d-5). The rate in St.
5 Clair County shall be 0.25% unless the Metro-East Mass Transit
6 District in St. Clair County has an "airport-related purpose"
7 and the additional 0.50% of the 0.75% tax on aviation fuel is
8 expended for airport-related purposes. If there is no
9 airport-related purpose to which aviation fuel tax revenue is
10 dedicated, then aviation fuel is excluded from the additional
11 0.50% of the 0.75% tax.

12 The Board must comply with the certification requirements
13 for airport-related purposes under Section 2-22 of the
14 Retailers' Occupation Tax Act. For purposes of this Section,
15 "airport-related purposes" has the meaning ascribed in Section
16 6z-20.2 of the State Finance Act. This exclusion for aviation
17 fuel only applies for so long as the revenue use requirements
18 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
19 District.

20 The tax imposed under this paragraph and all civil
21 penalties that may be assessed as an incident thereof shall be
22 collected and enforced by the State Department of Revenue. The
23 Department shall have full power to administer and enforce
24 this paragraph; to collect all taxes and penalties due
25 hereunder; to dispose of taxes and penalties so collected in
26 the manner hereinafter provided; and to determine all rights

1 to credit memoranda arising on account of the erroneous
2 payment of tax or penalty hereunder. In the administration of,
3 and compliance with this paragraph, the Department and persons
4 who are subject to this paragraph shall have the same rights,
5 remedies, privileges, immunities, powers and duties, and be
6 subject to the same conditions, restrictions, limitations,
7 penalties, exclusions, exemptions and definitions of terms and
8 employ the same modes of procedure as are prescribed in
9 Sections 1a-1, 2 (except that the reference to State in the
10 definition of supplier maintaining a place of business in this
11 State shall mean the Authority), 2a, 3 through 3-50 (in
12 respect to all provisions therein other than (i) the State
13 rate of tax; (ii) the exemption for food for human consumption
14 that is to be consumed off the premises where it is sold (other
15 than alcoholic liquor taxable under Section 8-1 of the Liquor
16 Control Act of 1934, beverages, food consisting of or infused
17 with adult use cannabis, soft drinks, candy, and food that has
18 been prepared for immediate consumption), which is taxed at
19 the rate as provided in this subsection; and (iii) the
20 exemption for food prepared for immediate consumption and
21 transferred incident to a sale of service subject to the
22 service occupation tax by an entity that is licensed under the
23 Hospital Licensing Act, the Nursing Home Care Act, the
24 Assisted Living and Shared Housing Act, the Specialized Mental
25 Health Rehabilitation Act of 2013, the ID/DD Community Care
26 Act, or the MC/DD Act, or the Child Care Act of 1969, or an

1 entity that holds a permit issued pursuant to the Life Care
2 Facilities Act, which is taxed at the rate as provided in this
3 subsection), 4 (except that the reference to the State shall
4 be to the Authority), 5, 7, 8 (except that the jurisdiction to
5 which the tax shall be a debt to the extent indicated in that
6 Section 8 shall be the District), 9 (except as to the

7 disposition of taxes and penalties collected, and except that
8 the returned merchandise credit for this tax may not be taken
9 against any State tax, and except that the retailer's discount
10 is not allowed for taxes paid on aviation fuel that are subject
11 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
12 U.S.C. 47133), 10, 11, 12 (except the reference therein to
13 Section 2b of the Retailers' Occupation Tax Act), 13 (except
14 that any reference to the State shall mean the District), the
15 first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
16 Service Occupation Tax Act and Section 3-7 of the Uniform
17 Penalty and Interest Act, as fully as if those provisions were
18 set forth herein.

19 Persons subject to any tax imposed under the authority
20 granted in this paragraph may reimburse themselves for their
21 serviceman's tax liability hereunder by separately stating the
22 tax as an additional charge, which charge may be stated in
23 combination, in a single amount, with State tax that
24 servicemen are authorized to collect under the Service Use Tax
25 Act, in accordance with such bracket schedules as the
26 Department may prescribe.

1 Whenever the Department determines that a refund should be
2 made under this paragraph to a claimant instead of issuing a
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the warrant to be drawn for the
5 amount specified, and to the person named, in the notification
6 from the Department. The refund shall be paid by the State
7 Treasurer out of the Metro East Mass Transit District tax fund
8 established under paragraph (h) of this Section or the Local
9 Government Aviation Trust Fund, as appropriate.

10 Nothing in this paragraph shall be construed to authorize
11 the District to impose a tax upon the privilege of engaging in
12 any business which under the Constitution of the United States
13 may not be made the subject of taxation by the State.

14 (d) If a tax has been imposed under subsection (b), a Metro
15 East Mass Transit District Use Tax shall also be imposed upon
16 the privilege of using, in the district, any item of tangible
17 personal property that is purchased outside the district at
18 retail from a retailer, and that is titled or registered with

19 an agency of this State's government, at a rate of 1/4%, or as
20 authorized under subsection (d-5) of this Section, of the
21 selling price of the tangible personal property within the
22 District, as "selling price" is defined in the Use Tax Act. The
23 tax shall be collected from persons whose Illinois address for
24 titling or registration purposes is given as being in the
25 District. The tax shall be collected by the Department of
26 Revenue for the Metro East Mass Transit District. The tax must

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1 be paid to the State, or an exemption determination must be
2 obtained from the Department of Revenue, before the title or
3 certificate of registration for the property may be issued.
4 The tax or proof of exemption may be transmitted to the
5 Department by way of the State agency with which, or the State
6 officer with whom, the tangible personal property must be
7 titled or registered if the Department and the State agency or
8 State officer determine that this procedure will expedite the
9 processing of applications for title or registration.

10 The Department shall have full power to administer and
11 enforce this paragraph; to collect all taxes, penalties and
12 interest due hereunder; to dispose of taxes, penalties and
13 interest so collected in the manner hereinafter provided; and
14 to determine all rights to credit memoranda or refunds arising
15 on account of the erroneous payment of tax, penalty or
16 interest hereunder. In the administration of, and compliance
17 with, this paragraph, the Department and persons who are
18 subject to this paragraph shall have the same rights,
19 remedies, privileges, immunities, powers and duties, and be
20 subject to the same conditions, restrictions, limitations,
21 penalties, exclusions, exemptions and definitions of terms and
22 employ the same modes of procedure, as are prescribed in
23 Sections 2 (except the definition of "retailer maintaining a
24 place of business in this State"), 3 through 3-80 (except
25 provisions pertaining to the State rate of tax, and except
26 provisions concerning collection or refunding of the tax by

1 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions
2 pertaining to claims by retailers and except the last
3 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act
4 and Section 3-7 of the Uniform Penalty and Interest Act, that
5 are not inconsistent with this paragraph, as fully as if those
6 provisions were set forth herein.

7 Whenever the Department determines that a refund should be
8 made under this paragraph to a claimant instead of issuing a
9 credit memorandum, the Department shall notify the State
10 Comptroller, who shall cause the order to be drawn for the
11 amount specified, and to the person named, in the notification
12 from the Department. The refund shall be paid by the State
13 Treasurer out of the Metro East Mass Transit District tax fund
14 established under paragraph (h) of this Section.

15 (d-1) If, on January 1, 2025, a unit of local government
16 has in effect a tax under subsections (b), (c), and (d) or if,
17 after January 1, 2025, a unit of local government imposes a tax
18 under subsections (b), (c), and (d), then that tax applies to
19 leases of tangible personal property in effect, entered into,
20 or renewed on or after that date in the same manner as the tax
21 under this Section and in accordance with the changes made by
22 this amendatory Act of the 103rd General Assembly.

23 (d-5) (A) The county board of any county participating in
24 the Metro East Mass Transit District may authorize, by
25 ordinance, a referendum on the question of whether the tax
26 rates for the Metro East Mass Transit District Retailers'

1 Occupation Tax, the Metro East Mass Transit District Service
2 Occupation Tax, and the Metro East Mass Transit District Use
3 Tax for the District should be increased from 0.25% to 0.75%.
4 Upon adopting the ordinance, the county board shall certify
5 the proposition to the proper election officials who shall
6 submit the proposition to the voters of the District at the
7 next election, in accordance with the general election law.

8 The proposition shall be in substantially the following
9 form:

10 Shall the tax rates for the Metro East Mass Transit

11 District Retailers' Occupation Tax, the Metro East Mass
12 Transit District Service Occupation Tax, and the Metro
13 East Mass Transit District Use Tax be increased from 0.25%
14 to 0.75%?

15 (B) Two thousand five hundred electors of any Metro East
16 Mass Transit District may petition the Chief Judge of the
17 Circuit Court, or any judge of that Circuit designated by the
18 Chief Judge, in which that District is located to cause to be
19 submitted to a vote of the electors the question whether the
20 tax rates for the Metro East Mass Transit District Retailers'
21 Occupation Tax, the Metro East Mass Transit District Service
22 Occupation Tax, and the Metro East Mass Transit District Use
23 Tax for the District should be increased from 0.25% to 0.75%.

24 Upon submission of such petition the court shall set a
25 date not less than 10 nor more than 30 days thereafter for a
26 hearing on the sufficiency thereof. Notice of the filing of

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1 such petition and of such date shall be given in writing to the
2 District and the County Clerk at least 7 days before the date
3 of such hearing.

4 If such petition is found sufficient, the court shall
5 enter an order to submit that proposition at the next
6 election, in accordance with general election law.

7 The form of the petition shall be in substantially the
8 following form: To the Circuit Court of the County of (name of
9 county):

10 We, the undersigned electors of the (name of transit
11 district), respectfully petition your honor to submit to a
12 vote of the electors of (name of transit district) the
13 following proposition:

14 Shall the tax rates for the Metro East Mass Transit
15 District Retailers' Occupation Tax, the Metro East Mass
16 Transit District Service Occupation Tax, and the Metro
17 East Mass Transit District Use Tax be increased from 0.25%
18 to 0.75%?

19	Name	Address, with Street and Number.
20		
21		

22 (C) The votes shall be recorded as "YES" or "NO". If a
23 majority of all votes cast on the proposition are for the
24 increase in the tax rates, the Metro East Mass Transit
25 District shall begin imposing the increased rates in the
26 District, and the Department of Revenue shall begin collecting

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1 the increased amounts, as provided under this Section. An
2 ordinance imposing or discontinuing a tax hereunder or
3 effecting a change in the rate thereof shall be adopted and a
4 certified copy thereof filed with the Department on or before
5 the first day of October, whereupon the Department shall
6 proceed to administer and enforce this Section as of the first
7 day of January next following the adoption and filing, or on or
8 before the first day of April, whereupon the Department shall
9 proceed to administer and enforce this Section as of the first
10 day of July next following the adoption and filing.

11 (D) If the voters have approved a referendum under this
12 subsection, before November 1, 1994, to increase the tax rate
13 under this subsection, the Metro East Mass Transit District
14 Board of Trustees may adopt by a majority vote an ordinance at
15 any time before January 1, 1995 that excludes from the rate
16 increase tangible personal property that is titled or
17 registered with an agency of this State's government. The
18 ordinance excluding titled or registered tangible personal
19 property from the rate increase must be filed with the
20 Department at least 15 days before its effective date. At any
21 time after adopting an ordinance excluding from the rate
22 increase tangible personal property that is titled or
23 registered with an agency of this State's government, the
24 Metro East Mass Transit District Board of Trustees may adopt
25 an ordinance applying the rate increase to that tangible
26 personal property. The ordinance shall be adopted, and a

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1 certified copy of that ordinance shall be filed with the

2 Department, on or before October 1, whereupon the Department
3 shall proceed to administer and enforce the rate increase
4 against tangible personal property titled or registered with
5 an agency of this State's government as of the following
6 January 1. After December 31, 1995, any reimposed rate
7 increase in effect under this subsection shall no longer apply
8 to tangible personal property titled or registered with an
9 agency of this State's government. Beginning January 1, 1996,
10 the Board of Trustees of any Metro East Mass Transit District
11 may never reimpose a previously excluded tax rate increase on
12 tangible personal property titled or registered with an agency
13 of this State's government. After July 1, 2004, if the voters
14 have approved a referendum under this subsection to increase
15 the tax rate under this subsection, the Metro East Mass
16 Transit District Board of Trustees may adopt by a majority
17 vote an ordinance that excludes from the rate increase
18 tangible personal property that is titled or registered with
19 an agency of this State's government. The ordinance excluding
20 titled or registered tangible personal property from the rate
21 increase shall be adopted, and a certified copy of that
22 ordinance shall be filed with the Department on or before
23 October 1, whereupon the Department shall administer and
24 enforce this exclusion from the rate increase as of the
25 following January 1, or on or before April 1, whereupon the
26 Department shall administer and enforce this exclusion from

1 the rate increase as of the following July 1. The Board of
2 Trustees of any Metro East Mass Transit District may never
3 reimpose a previously excluded tax rate increase on tangible
4 personal property titled or registered with an agency of this
5 State's government.

6 (d-6) If the Board of Trustees of any Metro East Mass
7 Transit District has imposed a rate increase under subsection
8 (d-5) and filed an ordinance with the Department of Revenue
9 excluding titled property from the higher rate, then that
10 Board may, by ordinance adopted with the concurrence of
11 two-thirds of the then trustees, impose throughout the
12 District a fee. The fee on the excluded property shall not
13 exceed \$20 per retail transaction or an amount equal to the

14 amount of tax excluded, whichever is less, on tangible
15 personal property that is titled or registered with an agency
16 of this State's government. Beginning July 1, 2004, the fee
17 shall apply only to titled property that is subject to either
18 the Metro East Mass Transit District Retailers' Occupation Tax
19 or the Metro East Mass Transit District Service Occupation
20 Tax. No fee shall be imposed or collected under this
21 subsection on the sale of a motor vehicle in this State to a
22 resident of another state if that motor vehicle will not be
23 titled in this State.

24 (d-7) Until June 30, 2004, if a fee has been imposed under
25 subsection (d-6), a fee shall also be imposed upon the
26 privilege of using, in the district, any item of tangible

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1 personal property that is titled or registered with any agency
2 of this State's government, in an amount equal to the amount of
3 the fee imposed under subsection (d-6).

4 (d-7.1) Beginning July 1, 2004, any fee imposed by the
5 Board of Trustees of any Metro East Mass Transit District
6 under subsection (d-6) and all civil penalties that may be
7 assessed as an incident of the fees shall be collected and
8 enforced by the State Department of Revenue. Reference to
9 "taxes" in this Section shall be construed to apply to the
10 administration, payment, and remittance of all fees under this
11 Section. For purposes of any fee imposed under subsection
12 (d-6), 4% of the fee, penalty, and interest received by the
13 Department in the first 12 months that the fee is collected and
14 enforced by the Department and 2% of the fee, penalty, and
15 interest following the first 12 months (except the amount
16 collected on aviation fuel sold on or after December 1, 2019)
17 shall be deposited into the Tax Compliance and Administration
18 Fund and shall be used by the Department, subject to
19 appropriation, to cover the costs of the Department. No
20 retailers' discount shall apply to any fee imposed under
21 subsection (d-6).

22 (d-8) No item of titled property shall be subject to both
23 the higher rate approved by referendum, as authorized under
24 subsection (d-5), and any fee imposed under subsection (d-6)
25 or (d-7).

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1 (d-10) (Blank).

2 (e) A certificate of registration issued by the State
3 Department of Revenue to a retailer under the Retailers'
4 Occupation Tax Act or under the Service Occupation Tax Act
5 shall permit the registrant to engage in a business that is
6 taxed under the tax imposed under paragraphs (b), (c) or (d) of
7 this Section and no additional registration shall be required
8 under the tax. A certificate issued under the Use Tax Act or
9 the Service Use Tax Act shall be applicable with regard to any
10 tax imposed under paragraph (c) of this Section.

11 (f) (Blank).

12 (g) Any ordinance imposing or discontinuing any tax under
13 this Section shall be adopted and a certified copy thereof
14 filed with the Department on or before June 1, whereupon the
15 Department of Revenue shall proceed to administer and enforce
16 this Section on behalf of the Metro East Mass Transit District
17 as of September 1 next following such adoption and filing.
18 Beginning January 1, 1992, an ordinance or resolution imposing
19 or discontinuing the tax hereunder shall be adopted and a
20 certified copy thereof filed with the Department on or before
21 the first day of July, whereupon the Department shall proceed
22 to administer and enforce this Section as of the first day of
23 October next following such adoption and filing. Beginning
24 January 1, 1993, except as provided in subsection (d-5) of
25 this Section, an ordinance or resolution imposing or
26 discontinuing the tax hereunder shall be adopted and a

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1 certified copy thereof filed with the Department on or before
2 the first day of October, whereupon the Department shall
3 proceed to administer and enforce this Section as of the first
4 day of January next following such adoption and filing, or,
5 beginning January 1, 2004, on or before the first day of April,

6 whereupon the Department shall proceed to administer and
7 enforce this Section as of the first day of July next following
8 the adoption and filing.

9 (h) Except as provided in subsection (d-7.1), the State
10 Department of Revenue shall, upon collecting any taxes as
11 provided in this Section, pay the taxes over to the State
12 Treasurer as trustee for the District. The taxes shall be held
13 in a trust fund outside the State treasury. If an
14 airport-related purpose has been certified, taxes and
15 penalties collected in St. Clair County on aviation fuel sold
16 on or after December 1, 2019 from the 0.50% of the 0.75% rate
17 shall be immediately paid over by the Department to the State
18 Treasurer, ex officio, as trustee, for deposit into the Local
19 Government Aviation Trust Fund. The Department shall only pay
20 moneys into the Local Government Aviation Trust Fund under
21 this Act for so long as the revenue use requirements of 49
22 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
23 District.

24 As soon as possible after the first day of each month,
25 beginning January 1, 2011, upon certification of the
26 Department of Revenue, the Comptroller shall order

1 transferred, and the Treasurer shall transfer, to the STAR
2 Bonds Revenue Fund the local sales tax increment, as defined
3 in the Innovation Development and Economy Act, collected under
4 this Section during the second preceding calendar month for
5 sales within a STAR bond district. The Department shall make
6 this certification only if the local mass transit district
7 imposes a tax on real property as provided in the definition of
8 "local sales taxes" under the Innovation Development and
9 Economy Act.

10 After the monthly transfer to the STAR Bonds Revenue Fund,
11 on or before the 25th day of each calendar month, the State
12 Department of Revenue shall prepare and certify to the
13 Comptroller of the State of Illinois the amount to be paid to
14 the District, which shall be the amount (not including credit
15 memoranda and not including taxes and penalties collected on
16 aviation fuel sold on or after December 1, 2019 that are
17 deposited into the Local Government Aviation Trust Fund)

18 collected under this Section during the second preceding
19 calendar month by the Department plus an amount the Department
20 determines is necessary to offset any amounts that were
21 erroneously paid to a different taxing body, and not including
22 any amount equal to the amount of refunds made during the
23 second preceding calendar month by the Department on behalf of
24 the District, and not including any amount that the Department
25 determines is necessary to offset any amounts that were
26 payable to a different taxing body but were erroneously paid

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1 to the District, and less any amounts that are transferred to
2 the STAR Bonds Revenue Fund, less 1.5% of the remainder, which
3 the Department shall transfer into the Tax Compliance and
4 Administration Fund. The Department, at the time of each
5 monthly disbursement to the District, shall prepare and
6 certify to the State Comptroller the amount to be transferred
7 into the Tax Compliance and Administration Fund under this
8 subsection. Within 10 days after receipt by the Comptroller of
9 the certification of the amount to be paid to the District and
10 the Tax Compliance and Administration Fund, the Comptroller
11 shall cause an order to be drawn for payment for the amount in
12 accordance with the direction in the certification.
13 (Source: P.A. 103-592, eff. 1-1-25; 104-6, eff. 1-1-26.)

14 Section 70-100. The Regional Transportation Authority Act
15 is amended by changing Section 4.03 as follows:

16 (~~70~~ ILCS 3615/4.03) (from Ch. 111 2/3, par. ~~704.03~~)

17 (Text of Section before amendment by P.A. 104-457)

18 Sec. 4.03. Taxes.

19 (a) In order to carry out any of the powers or purposes of
20 the Authority, the Board may, by ordinance adopted with the
21 concurrence of 12 of the then Directors, impose throughout the
22 metropolitan region any or all of the taxes provided in this
23 Section. Except as otherwise provided in this Act, taxes
24 imposed under this Section and civil penalties imposed

1 incident thereto shall be collected and enforced by the State
2 Department of Revenue. The Department shall have the power to
3 administer and enforce the taxes and to determine all rights
4 for refunds for erroneous payments of the taxes. Nothing in
5 Public Act 95-708 is intended to invalidate any taxes
6 currently imposed by the Authority. The increased vote
7 requirements to impose a tax shall only apply to actions taken
8 after January 1, 2008 (the effective date of Public Act
9 95-708).

10 (b) The Board may impose a public transportation tax upon
11 all persons engaged in the metropolitan region in the business
12 of selling at retail motor fuel for operation of motor
13 vehicles upon public highways. The tax shall be at a rate not
14 to exceed 5% of the gross receipts from the sales of motor fuel
15 in the course of the business. As used in this Act, the term
16 "motor fuel" shall have the same meaning as in the Motor Fuel
17 Tax Law. The Board may provide for details of the tax. The
18 provisions of any tax shall conform, as closely as may be
19 practicable, to the provisions of the Municipal Retailers
20 Occupation Tax Act, including, without limitation, conformity
21 to penalties with respect to the tax imposed and as to the
22 powers of the State Department of Revenue to promulgate and
23 enforce rules and regulations relating to the administration
24 and enforcement of the provisions of the tax imposed, except
25 that reference in the Act to any municipality shall refer to
26 the Authority and the tax shall be imposed only with regard to

1 receipts from sales of motor fuel in the metropolitan region,
2 at rates as limited by this Section.

3 (c) In connection with the tax imposed under paragraph (b)
4 of this Section, the Board may impose a tax upon the privilege
5 of using in the metropolitan region motor fuel for the
6 operation of a motor vehicle upon public highways, the tax to

7 be at a rate not in excess of the rate of tax imposed under
8 paragraph (b) of this Section. The Board may provide for
9 details of the tax.

10 (d) The Board may impose a motor vehicle parking tax upon
11 the privilege of parking motor vehicles at off-street parking
12 facilities in the metropolitan region at which a fee is
13 charged, and may provide for reasonable classifications in and
14 exemptions to the tax, for administration and enforcement
15 thereof and for civil penalties and refunds thereunder and may
16 provide criminal penalties thereunder, the maximum penalties
17 not to exceed the maximum criminal penalties provided in the
18 Retailers' Occupation Tax Act. The Authority may collect and
19 enforce the tax itself or by contract with any unit of local
20 government. The State Department of Revenue shall have no
21 responsibility for the collection and enforcement unless the
22 Department agrees with the Authority to undertake the
23 collection and enforcement. As used in this paragraph, the
24 term "parking facility" means a parking area or structure
25 having parking spaces for more than 2 vehicles at which motor
26 vehicles are permitted to park in return for an hourly, daily,

1 or other periodic fee, whether publicly or privately owned,
2 but does not include parking spaces on a public street, the use
3 of which is regulated by parking meters.

4 (e) The Board may impose a Regional Transportation
5 Authority Retailers' Occupation Tax upon all persons engaged
6 in the business of selling tangible personal property at
7 retail in the metropolitan region. In Cook County, the tax
8 rate shall be 1.25% of the gross receipts from sales of food
9 for human consumption that is to be consumed off the premises
10 where it is sold (other than alcoholic liquor taxable under
11 Section 8-1 of the Liquor Control Act of 1934, beverages, food
12 consisting of or infused with adult use cannabis, soft drinks,
13 candy, and food that has been prepared for immediate
14 consumption) and tangible personal property taxed at the 1%
15 rate under the Retailers' Occupation Tax Act, and 1% of the
16 gross receipts from other taxable sales made in the course of
17 that business. In DuPage, Kane, Lake, McHenry, and Will
18 counties, the tax rate shall be 0.75% of the gross receipts

19 from all taxable sales made in the course of that business,
20 including sales of food for human consumption that is to be
21 consumed off the premises where it is sold (other than
22 alcoholic liquor taxable under Section 8-1 of the Liquor
23 Control Act of 1934, beverages, food consisting of or infused
24 with adult use cannabis, soft drinks, candy, and food that has
25 been prepared for immediate consumption). The rate of tax
26 imposed in DuPage, Kane, Lake, McHenry, and Will counties

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1 under this Section on sales of aviation fuel on or after
2 December 1, 2019 shall, however, be 0.25% unless the Regional
3 Transportation Authority in DuPage, Kane, Lake, McHenry, and
4 Will counties has an "airport-related purpose" and the
5 additional 0.50% of the 0.75% tax on aviation fuel is expended
6 for airport-related purposes. If there is no airport-related
7 purpose to which aviation fuel tax revenue is dedicated, then
8 aviation fuel is excluded from the additional 0.50% of the
9 0.75% tax. The tax imposed under this Section and all civil
10 penalties that may be assessed as an incident thereof shall be
11 collected and enforced by the State Department of Revenue. The
12 Department shall have full power to administer and enforce
13 this Section; to collect all taxes and penalties so collected
14 in the manner hereinafter provided; and to determine all
15 rights to credit memoranda arising on account of the erroneous
16 payment of tax or penalty hereunder. In the administration of,
17 and compliance with this Section, the Department and persons
18 who are subject to this Section shall have the same rights,
19 remedies, privileges, immunities, powers, and duties, and be
20 subject to the same conditions, restrictions, limitations,
21 penalties, exclusions, exemptions, and definitions of terms,
22 and employ the same modes of procedure, as are prescribed in
23 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
24 (in respect to all provisions therein other than the State
25 rate of tax and other than the exemption for food for human
26 consumption that is to be consumed off the premises where it is

1 sold (other than alcoholic liquor taxable under Section 8-1 of
2 the Liquor Control Act of 1934, beverages, food consisting of
3 or infused with adult use cannabis, soft drinks, candy, and
4 food that has been prepared for immediate consumption), which
5 is taxed at the rate as provided in this subsection), 2c, 3
6 (except as to the disposition of taxes and penalties
7 collected, and except that the retailer's discount is not
8 allowed for taxes paid on aviation fuel that are subject to the
9 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
10 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l,
11 ~~5m, 5n~~, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and 13 of the
12 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
13 Penalty and Interest Act, as fully as if those provisions were
14 set forth herein.

15 The Board and DuPage, Kane, Lake, McHenry, and Will
16 counties must comply with the certification requirements for
17 airport-related purposes under Section 2-22 of the Retailers'
18 Occupation Tax Act. For purposes of this Section,
19 "airport-related purposes" has the meaning ascribed in Section
20 6z-20.2 of the State Finance Act. This exclusion for aviation
21 fuel only applies for so long as the revenue use requirements
22 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
23 Authority.

24 Persons subject to any tax imposed under the authority
25 granted in this Section may reimburse themselves for their
26 seller's tax liability hereunder by separately stating the tax

1 as an additional charge, which charge may be stated in
2 combination in a single amount with State taxes that sellers
3 are required to collect under the Use Tax Act, under any
4 bracket schedules the Department may prescribe.

5 Whenever the Department determines that a refund should be
6 made under this Section to a claimant instead of issuing a
7 credit memorandum, the Department shall notify the State
8 Comptroller, who shall cause the warrant to be drawn for the
9 amount specified, and to the person named, in the notification
10 from the Department. The refund shall be paid by the State

11 Treasurer out of the Regional Transportation Authority tax
12 fund established under paragraph (n) of this Section or the
13 Local Government Aviation Trust Fund, as appropriate.

14 If a tax is imposed under this subsection (e), a tax shall
15 also be imposed under subsections (f) and (g) of this Section.

16 For the purpose of determining whether a tax authorized
17 under this Section is applicable, a retail sale by a producer
18 of coal or other mineral mined in Illinois, is a sale at retail
19 at the place where the coal or other mineral mined in Illinois
20 is extracted from the earth. This paragraph does not apply to
21 coal or other mineral when it is delivered or shipped by the
22 seller to the purchaser at a point outside Illinois so that the
23 sale is exempt under the Federal Constitution as a sale in
24 interstate or foreign commerce.

25 No tax shall be imposed or collected under this subsection
26 on the sale of a motor vehicle in this State to a resident of

1 another state if that motor vehicle will not be titled in this
2 State.

3 Nothing in this Section shall be construed to authorize
4 the Regional Transportation Authority to impose a tax upon the
5 privilege of engaging in any business that under the
6 Constitution of the United States may not be made the subject
7 of taxation by this State.

8 (f) If a tax has been imposed under paragraph (e), a
9 Regional Transportation Authority Service Occupation Tax shall
10 also be imposed upon all persons engaged in the metropolitan
11 region in the business of making sales of service who, as an
12 incident to making the sales of service, transfer tangible
13 personal property within the metropolitan region, either in
14 the form of tangible personal property or in the form of real
15 estate as an incident to a sale of service. In Cook County, the
16 tax rate shall be: (1) 1.25% of the serviceman's cost price of
17 food prepared for immediate consumption and transferred
18 incident to a sale of service subject to the service
19 occupation tax by an entity that is located in the
20 metropolitan region and that is licensed under the Hospital
21 Licensing Act, the Nursing Home Care Act, the Assisted Living
22 and Shared Housing Act, the Specialized Mental Health

23 Rehabilitation Act of 2013, the ID/DD Community Care Act, the
24 MC/DD Act, or the Child Care Act of 1969, or an entity that
25 holds a permit issued pursuant to the Life Care Facilities
26 Act; (2) 1.25% of the selling price of food for human

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1 consumption that is to be consumed off the premises where it is
2 sold (other than alcoholic liquor taxable under Section 8-1 of
3 the Liquor Control Act of 1934, beverages, food consisting of
4 or infused with adult use cannabis, soft drinks, candy, and
5 food that has been prepared for immediate consumption) and
6 tangible personal property taxed at the 1% rate under the
7 Service Occupation Tax Act; and (3) 1% of the selling price
8 from other taxable sales of tangible personal property
9 transferred. In DuPage, Kane, Lake, McHenry, and Will
10 counties, the rate shall be (1) 0.75% of the selling price of
11 all tangible personal property transferred, including food for
12 human consumption that is to be consumed off the premises
13 where it is sold (other than alcoholic liquor taxable under
14 Section 8-1 of the Liquor Control Act of 1934, beverages, food
15 consisting of or infused with adult use cannabis, soft drinks,
16 candy, and food that has been prepared for immediate
17 consumption); and (2) 0.75% of the serviceman's cost price of
18 food prepared for immediate consumption and transferred
19 incident to a sale of service subject to the service
20 occupation tax by an entity that is located in the
21 metropolitan region and that is licensed under the Hospital
22 Licensing Act, the Nursing Home Care Act, the Assisted Living
23 and Shared Housing Act, the Specialized Mental Health
24 Rehabilitation Act of 2013, the ID/DD Community Care Act, or
25 the MC/DD Act, or the Child Care Act of 1969, or an entity that
26 holds a permit issued pursuant to the Life Care Facilities

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1 Act. The rate of tax imposed in DuPage, Kane, Lake, McHenry,
2 and Will counties under this Section on sales of aviation fuel

3 on or after December 1, 2019 shall, however, be 0.25% unless
4 the Regional Transportation Authority in DuPage, Kane, Lake,
5 McHenry, and Will counties has an "airport-related purpose"
6 and the additional 0.50% of the 0.75% tax on aviation fuel is
7 expended for airport-related purposes. If there is no
8 airport-related purpose to which aviation fuel tax revenue is
9 dedicated, then aviation fuel is excluded from the additional
10 0.5% of the 0.75% tax.

11 The Board and DuPage, Kane, Lake, McHenry, and Will
12 counties must comply with the certification requirements for
13 airport-related purposes under Section 2-22 of the Retailers'
14 Occupation Tax Act. For purposes of this Section,
15 "airport-related purposes" has the meaning ascribed in Section
16 6z-20.2 of the State Finance Act. This exclusion for aviation
17 fuel only applies for so long as the revenue use requirements
18 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
19 Authority.

20 The tax imposed under this paragraph and all civil
21 penalties that may be assessed as an incident thereof shall be
22 collected and enforced by the State Department of Revenue. The
23 Department shall have full power to administer and enforce
24 this paragraph; to collect all taxes and penalties due
25 hereunder; to dispose of taxes and penalties collected in the
26 manner hereinafter provided; and to determine all rights to

1 credit memoranda arising on account of the erroneous payment
2 of tax or penalty hereunder. In the administration of and
3 compliance with this paragraph, the Department and persons who
4 are subject to this paragraph shall have the same rights,
5 remedies, privileges, immunities, powers, and duties, and be
6 subject to the same conditions, restrictions, limitations,
7 penalties, exclusions, exemptions, and definitions of terms,
8 and employ the same modes of procedure, as are prescribed in
9 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
10 provisions therein other than (i) the State rate of tax; (ii)
11 the exemption for food for human consumption that is to be
12 consumed off the premises where it is sold (other than
13 alcoholic liquor taxable under Section 8-1 of the Liquor
14 Control Act of 1934, ~~beverages~~, food consisting of or infused

15 with adult use cannabis, soft drinks, candy, and food that has
16 been prepared for immediate consumption), which is taxed at
17 the rate as provided in this subsection; and (iii) the
18 exemption for food prepared for immediate consumption and
19 transferred incident to a sale of service subject to the
20 service occupation tax by an entity that is licensed under the
21 Hospital Licensing Act, the Nursing Home Care Act, the
22 Assisted Living and Shared Housing Act, the Specialized Mental
23 Health Rehabilitation Act of 2013, the ID/DD Community Care
24 Act, or the MC/DD Act, or the Child Care Act of 1969, or an
25 entity that holds a permit issued pursuant to the Life Care
26 Facilities Act, which is taxed at the rate as provided in this

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1 subsection), 4 (except that the reference to the State shall
2 be to the Authority), 5, 7, 8 (except that the jurisdiction to
3 which the tax shall be a debt to the extent indicated in that
4 Section 8 shall be the Authority), 9 (except as to the
5 disposition of taxes and penalties collected, and except that
6 the returned merchandise credit for this tax may not be taken
7 against any State tax, and except that the retailer's discount
8 is not allowed for taxes paid on aviation fuel that are subject
9 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
10 U.S.C. 47133), 10, 11, 12 (except the reference therein to
11 Section 2b of the Retailers' Occupation Tax Act), 13 (except
12 that any reference to the State shall mean the Authority), the
13 first paragraph of Section 15, 16, 17, 18, 19, and 20 of the
14 Service Occupation Tax Act and Section 3-7 of the Uniform
15 Penalty and Interest Act, as fully as if those provisions were
16 set forth herein.

17 Persons subject to any tax imposed under the authority
18 granted in this paragraph may reimburse themselves for their
19 serviceman's tax liability hereunder by separately stating the
20 tax as an additional charge, that charge may be stated in
21 combination in a single amount with State tax that servicemen
22 are authorized to collect under the Service Use Tax Act, under
23 any bracket schedules the Department may prescribe.

24 Whenever the Department determines that a refund should be
25 made under this paragraph to a claimant instead of issuing a
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the warrant to be drawn for the
2 amount specified, and to the person named in the notification
3 from the Department. The refund shall be paid by the State
4 Treasurer out of the Regional Transportation Authority tax
5 fund established under paragraph (n) of this Section or the
6 Local Government Aviation Trust Fund, as appropriate.

7 Nothing in this paragraph shall be construed to authorize
8 the Authority to impose a tax upon the privilege of engaging in
9 any business that under the Constitution of the United States
10 may not be made the subject of taxation by the State.

11 (g) If a tax has been imposed under paragraph (e), a tax
12 shall also be imposed upon the privilege of using in the
13 metropolitan region, any item of tangible personal property
14 that is purchased outside the metropolitan region at retail
15 from a retailer, and that is titled or registered with an
16 agency of this State's government. In Cook County, the tax
17 rate shall be 1% of the selling price of the tangible personal
18 property, as "selling price" is defined in the Use Tax Act. In
19 DuPage, Kane, Lake, McHenry, and Will counties, the tax rate
20 shall be 0.75% of the selling price of the tangible personal
21 property, as "selling price" is defined in the Use Tax Act. The
22 tax shall be collected from persons whose Illinois address for
23 titling or registration purposes is given as being in the
24 metropolitan region. The tax shall be collected by the
25 Department of Revenue for the Regional Transportation
26 Authority. The tax must be paid to the State, or an exemption

1 determination must be obtained from the Department of Revenue,
2 before the title or certificate of registration for the
3 property may be issued. The tax or proof of exemption may be
4 transmitted to the Department by way of the State agency with
5 which, or the State officer with whom, the tangible personal
6 property must be titled or registered if the Department and

7 the State agency or State officer determine that this
8 procedure will expedite the processing of applications for
9 title or registration.

10 The Department shall have full power to administer and
11 enforce this paragraph; to collect all taxes, penalties, and
12 interest due hereunder; to dispose of taxes, penalties, and
13 interest collected in the manner hereinafter provided; and to
14 determine all rights to credit memoranda or refunds arising on
15 account of the erroneous payment of tax, penalty, or interest
16 hereunder. In the administration of and compliance with this
17 paragraph, the Department and persons who are subject to this
18 paragraph shall have the same rights, remedies, privileges,
19 immunities, powers, and duties, and be subject to the same
20 conditions, restrictions, limitations, penalties, exclusions,
21 exemptions, and definitions of terms and employ the same modes
22 of procedure, as are prescribed in Sections 2 (except the
23 definition of "retailer maintaining a place of business in
24 this State"), 3 through 3-80 (except provisions pertaining to
25 the State rate of tax, and except provisions concerning
26 collection or refunding of the tax by retailers), 4, 11, 12,

1 12a, 14, 15, 19 (except the portions pertaining to claims by
2 retailers and except the last paragraph concerning refunds),
3 20, 21, and 22 of the Use Tax Act, and are not inconsistent
4 with this paragraph, as fully as if those provisions were set
5 forth herein.

6 Whenever the Department determines that a refund should be
7 made under this paragraph to a claimant instead of issuing a
8 credit memorandum, the Department shall notify the State
9 Comptroller, who shall cause the order to be drawn for the
10 amount specified, and to the person named in the notification
11 from the Department. The refund shall be paid by the State
12 Treasurer out of the Regional Transportation Authority tax
13 fund established under paragraph (n) of this Section.

14 (g-5) If, on January 1, 2025, a unit of local government
15 has in effect a tax under subsections (e), (f), and (g), or if,
16 after January 1, 2025, a unit of local government imposes a tax
17 under subsections (e), (f), and (g), then that tax applies to
18 leases of tangible personal property in effect, entered into,

19 or renewed on or after that date in the same manner as the tax
20 under this Section and in accordance with the changes made by
21 Public Act 103-592.

22 (h) The Authority may impose a replacement vehicle tax of
23 \$50 on any passenger car as defined in Section 1-157 of the
24 Illinois Vehicle Code purchased within the metropolitan region
25 by or on behalf of an insurance company to replace a passenger
26 car of an insured person in settlement of a total loss claim.

1 The tax imposed may not become effective before the first day
2 of the month following the passage of the ordinance imposing
3 the tax and receipt of a certified copy of the ordinance by the
4 Department of Revenue. The Department of Revenue shall collect
5 the tax for the Authority in accordance with Sections 3-2002
6 and 3-2003 of the Illinois Vehicle Code.

7 The Department shall immediately pay over to the State
8 Treasurer, ex officio, as trustee, all taxes collected
9 hereunder.

10 As soon as possible after the first day of each month,
11 beginning January 1, 2011, upon certification of the
12 Department of Revenue, the Comptroller shall order
13 transferred, and the Treasurer shall transfer, to the STAR
14 Bonds Revenue Fund the local sales tax increment, as defined
15 in the Innovation Development and Economy Act, collected under
16 this Section during the second preceding calendar month for
17 sales within a STAR bond district.

18 After the monthly transfer to the STAR Bonds Revenue Fund,
19 on or before the 25th day of each calendar month, the
20 Department shall prepare and certify to the Comptroller the
21 disbursement of stated sums of money to the Authority. The
22 amount to be paid to the Authority shall be the amount
23 collected hereunder during the second preceding calendar month
24 by the Department, less any amount determined by the
25 Department to be necessary for the payment of refunds, and
26 less any amounts that are transferred to the STAR Bonds

1 Revenue Fund. Within 10 days after receipt by the Comptroller
2 of the disbursement certification to the Authority provided
3 for in this Section to be given to the Comptroller by the
4 Department, the Comptroller shall cause the orders to be drawn
5 for that amount in accordance with the directions contained in
6 the certification.

7 (i) The Board may not impose any other taxes except as it
8 may from time to time be authorized by law to impose.

9 (j) A certificate of registration issued by the State
10 Department of Revenue to a retailer under the Retailers'
11 Occupation Tax Act or under the Service Occupation Tax Act
12 shall permit the registrant to engage in a business that is
13 taxed under the tax imposed under paragraphs (b), (e), (f) or
14 (g) of this Section and no additional registration shall be
15 required under the tax. A certificate issued under the Use Tax
16 Act or the Service Use Tax Act shall be applicable with regard
17 to any tax imposed under paragraph (c) of this Section.

18 (k) The provisions of any tax imposed under paragraph (c)
19 of this Section shall conform as closely as may be practicable
20 to the provisions of the Use Tax Act, including, without
21 limitation, conformity as to penalties with respect to the tax
22 imposed and as to the powers of the State Department of Revenue
23 to promulgate and enforce rules and regulations relating to
24 the administration and enforcement of the provisions of the
25 tax imposed. The taxes shall be imposed only on use within the
26 metropolitan region and at rates as provided in the paragraph.

1 (l) The Board in imposing any tax as provided in
2 paragraphs (b) and (c) of this Section, shall, after seeking
3 the advice of the State Department of Revenue, provide means
4 for retailers, users or purchasers of motor fuel for purposes
5 other than those with regard to which the taxes may be imposed
6 as provided in those paragraphs to receive refunds of taxes
7 improperly paid, which provisions may be at variance with the
8 refund provisions as applicable under the Municipal Retailers
9 Occupation Tax Act. The State Department of Revenue may
10 provide for certificates of registration for users or

11 purchasers of motor fuel for purposes other than those with
12 regard to which taxes may be imposed as provided in paragraphs
13 (b) and (c) of this Section to facilitate the reporting and
14 nontaxability of the exempt sales or uses.

15 (m) Any ordinance imposing or discontinuing any tax under
16 this Section shall be adopted and a certified copy thereof
17 filed with the Department on or before June 1, whereupon the
18 Department of Revenue shall proceed to administer and enforce
19 this Section on behalf of the Regional Transportation
20 Authority as of September 1 next following such adoption and
21 filing. Beginning January 1, 1992, an ordinance or resolution
22 imposing or discontinuing the tax hereunder shall be adopted
23 and a certified copy thereof filed with the Department on or
24 before the first day of July, whereupon the Department shall
25 proceed to administer and enforce this Section as of the first
26 day of October next following such adoption and filing.

1 Beginning January 1, 1993, an ordinance or resolution
2 imposing, increasing, decreasing, or discontinuing the tax
3 hereunder shall be adopted and a certified copy thereof filed
4 with the Department, whereupon the Department shall proceed to
5 administer and enforce this Section as of the first day of the
6 first month to occur not less than 60 days following such
7 adoption and filing. Any ordinance or resolution of the
8 Authority imposing a tax under this Section and in effect on
9 August 1, 2007 shall remain in full force and effect and shall
10 be administered by the Department of Revenue under the terms
11 and conditions and rates of tax established by such ordinance
12 or resolution until the Department begins administering and
13 enforcing an increased tax under this Section as authorized by
14 Public Act 95-708. The tax rates authorized by Public Act
15 95-708 are effective only if imposed by ordinance of the
16 Authority.

17 (n) Except as otherwise provided in this subsection (n),
18 the State Department of Revenue shall, upon collecting any
19 taxes as provided in this Section, pay the taxes over to the
20 State Treasurer as trustee for the Authority. The taxes shall
21 be held in a trust fund outside the State Treasury. If an
22 airport-related purpose has been certified, taxes and

23 penalties collected in DuPage, Kane, Lake, McHenry and Will
24 counties on aviation fuel sold on or after December 1, 2019
25 from the 0.50% of the 0.75% rate shall be immediately paid over
26 by the Department to the State Treasurer, ex officio, as

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1 trustee, for deposit into the Local Government Aviation Trust
2 Fund. The Department shall only pay moneys into the Local
3 Government Aviation Trust Fund under this Act for so long as
4 the revenue use requirements of 49 U.S.C. 47107(b) and 49
5 U.S.C. 47133 are binding on the Authority. On or before the
6 25th day of each calendar month, the State Department of
7 Revenue shall prepare and certify to the Comptroller of the
8 State of Illinois and to the Authority (i) the amount of taxes
9 collected in each county other than Cook County in the
10 metropolitan region, (not including, if an airport-related
11 purpose has been certified, the taxes and penalties collected
12 from the 0.50% of the 0.75% rate on aviation fuel sold on or
13 after December 1, 2019 that are deposited into the Local
14 Government Aviation Trust Fund) (ii) the amount of taxes
15 collected within the City of Chicago, and (iii) the amount
16 collected in that portion of Cook County outside of Chicago,
17 each amount less the amount necessary for the payment of
18 refunds to taxpayers located in those areas described in items
19 (i), (ii), and (iii), and less 1.5% of the remainder, which
20 shall be transferred from the trust fund into the Tax
21 Compliance and Administration Fund. The Department, at the
22 time of each monthly disbursement to the Authority, shall
23 prepare and certify to the State Comptroller the amount to be
24 transferred into the Tax Compliance and Administration Fund
25 under this subsection. Within 10 days after receipt by the
26 Comptroller of the certification of the amounts, the

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1 Comptroller shall cause an order to be drawn for the transfer
2 of the amount certified into the Tax Compliance and

3 Administration Fund and the payment of two-thirds of the
4 amounts certified in item (i) of this subsection to the
5 Authority and one-third of the amounts certified in item (i)
6 of this subsection to the respective counties other than Cook
7 County and the amount certified in items (ii) and (iii) of this
8 subsection to the Authority.

9 In addition to the disbursement required by the preceding
10 paragraph, an allocation shall be made in July 1991 and each
11 year thereafter to the Regional Transportation Authority. The
12 allocation shall be made in an amount equal to the average
13 monthly distribution during the preceding calendar year
14 (excluding the 2 months of lowest receipts) and the allocation
15 shall include the amount of average monthly distribution from
16 the Regional Transportation Authority Occupation and Use Tax
17 Replacement Fund. The distribution made in July 1992 and each
18 year thereafter under this paragraph and the preceding
19 paragraph shall be reduced by the amount allocated and
20 disbursed under this paragraph in the preceding calendar year.
21 The Department of Revenue shall prepare and certify to the
22 Comptroller for disbursement the allocations made in
23 accordance with this paragraph.

24 (o) Failure to adopt a budget ordinance or otherwise to
25 comply with Section 4.01 of this Act or to adopt a Five-year
26 Capital Program or otherwise to comply with paragraph (b) of

1 Section 2.01 of this Act shall not affect the validity of any
2 tax imposed by the Authority otherwise in conformity with law.

3 (p) At no time shall a public transportation tax or motor
4 vehicle parking tax authorized under paragraphs (b), (c), and
5 (d) of this Section be in effect at the same time as any
6 retailers' occupation, use or service occupation tax
7 authorized under paragraphs (e), (f), and (g) of this Section
8 is in effect.

9 Any taxes imposed under the authority provided in
10 paragraphs (b), (c), and (d) shall remain in effect only until
11 the time as any tax authorized by paragraph (e), (f), or (g) of
12 this Section is imposed and becomes effective. Once any tax
13 authorized by paragraph (e), (f), or (g) is imposed the Board
14 may not reimpose taxes as authorized in paragraphs (b), (c),

15 and (d) of the Section unless any tax authorized by paragraph
16 (e), (f), or (g) of this Section becomes ineffective by means
17 other than an ordinance of the Board.

18 (q) Any existing rights, remedies and obligations
19 (including enforcement by the Regional Transportation
20 Authority) arising under any tax imposed under paragraph (b),
21 (c), or (d) of this Section shall not be affected by the
22 imposition of a tax under paragraph (e), (f), or (g) of this
23 Section.

24 (Source: P.A. 103-592, eff. 1-1-25; 103-781, eff. 8-5-24;
25 104-6, eff. 1-1-26; 104-417, eff. 8-15-25.)

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1 (Text of Section after amendment by P.A. 104-457)

2 Sec. 4.03. Taxes.

3 (a) Except as provided in subsection (m), in order to
4 carry out any of the powers or purposes of the Authority, the
5 Board may, by ordinance approved by a supermajority vote,
6 impose throughout the metropolitan region any or all of the
7 taxes provided in this Section. Except as otherwise provided
8 in this Act, taxes imposed under this Section and civil
9 penalties imposed incident thereto shall be collected and
10 enforced by the Department of Revenue. The Department shall
11 have the power to administer and enforce the taxes and to
12 determine all rights for refunds for erroneous payments of the
13 taxes. Nothing in Public Act 95-708 is intended to invalidate
14 any taxes currently imposed by the Authority. The increased
15 vote requirements to impose a tax shall only apply to actions
16 taken after January 1, 2008 (the effective date of Public Act
17 95-708).

18 (b) The Board may impose a public transportation tax upon
19 all persons engaged in the metropolitan region in the business
20 of selling at retail motor fuel for operation of motor
21 vehicles upon public highways. The tax shall be at a rate not
22 to exceed 5% of the gross receipts from the sales of motor fuel
23 in the course of the business. As used in this Act, the term
24 "motor fuel" shall have the same meaning as in the Motor Fuel
25 Tax Law. The Board may provide for details of the tax. The
26 provisions of any tax shall conform, as closely as may be

1 practicable, to the provisions of the Municipal Retailers
2 Occupation Tax Act, including, without limitation, conformity
3 to penalties with respect to the tax imposed and as to the
4 powers of the Department of Revenue to promulgate and enforce
5 rules and regulations relating to the administration and
6 enforcement of the provisions of the tax imposed, except that
7 reference in the Act to any municipality shall refer to the
8 Authority and the tax shall be imposed only with regard to
9 receipts from sales of motor fuel in the metropolitan region,
10 at rates as limited by this Section.

11 (c) In connection with the tax imposed under paragraph (b)
12 of this Section, the Board may impose a tax upon the privilege
13 of using in the metropolitan region motor fuel for the
14 operation of a motor vehicle upon public highways, the tax to
15 be at a rate not in excess of the rate of tax imposed under
16 paragraph (b) of this Section. The Board may provide for
17 details of the tax.

18 (d) The Board may impose a motor vehicle parking tax upon
19 the privilege of parking motor vehicles at off-street parking
20 facilities in the metropolitan region at which a fee is
21 charged, and may provide for reasonable classifications in and
22 exemptions to the tax, for administration and enforcement
23 thereof and for civil penalties and refunds thereunder and may
24 provide criminal penalties thereunder, the maximum penalties
25 not to exceed the maximum criminal penalties provided in the
26 Retailers' Occupation Tax Act. The Authority may collect and

1 enforce the tax itself or by contract with any unit of local
2 government. The Department of Revenue shall have no
3 responsibility for the collection and enforcement unless the
4 Department agrees with the Authority to undertake the
5 collection and enforcement. As used in this paragraph, the
6 term "parking facility" means a parking area or structure

7 having parking spaces for more than 2 vehicles at which motor
8 vehicles are permitted to park in return for an hourly, daily,
9 or other periodic fee, whether publicly or privately owned,
10 but does not include parking spaces on a public street, the use
11 of which is regulated by parking meters.

12 (e) The Board may impose a Northern Illinois Transit
13 Authority Retailers' Occupation Tax upon all persons engaged
14 in the business of selling tangible personal property at
15 retail in the metropolitan region. In Cook County, unless the
16 tax rate is increased by the Board by ordinance, as provided in
17 this Section, the tax rate shall be 1.25% of the gross receipts
18 from sales of food for human consumption that is to be consumed
19 off the premises where it is sold (other than alcoholic liquor
20 taxable under Section 8-1 of the Liquor Control Act of 1934
21 ~~beverages~~, food consisting of or infused with adult use
22 cannabis, soft drinks, candy, and food that has been prepared
23 for immediate consumption) and tangible personal property
24 taxed at the 1% rate under the Retailers' Occupation Tax Act,
25 and 1% of the gross receipts from other taxable sales made in
26 the course of that business. In Cook County, on and after the

1 effective date of this amendatory Act of the 104th General
2 Assembly, the Board may, by ordinance, increase the tax rate
3 to not more than 1.5% of the gross receipts from sales of food
4 for human consumption that is to be consumed off the premises
5 where it is sold (other than alcoholic liquor taxable under
6 Section 8-1 of the Liquor Control Act of 1934 ~~beverages~~, food
7 consisting of or infused with adult use cannabis, soft drinks,
8 candy, and food that has been prepared for immediate
9 consumption) and tangible personal property taxed at the 1%
10 rate under the Retailers' Occupation Tax Act, and 1.25% of the
11 gross receipts from other taxable sales made in the course of
12 that business. The Board shall take such a vote on whether to
13 increase the tax rate no later than 60 days after the effective
14 date of this Act. In DuPage, Kane, Lake, McHenry, and Will
15 counties, unless the tax rate is increased by the Board by an
16 ordinance as approved by this Section, the tax rate shall be
17 0.75% of the gross receipts from all taxable sales made in the
18 course of that business, including sales of food for human

19 consumption that is to be consumed off the premises where it is
20 sold (other than alcoholic liquor taxable under Section 8-1 of
21 the Liquor Control Act of 1934 beverages, food consisting of
22 or infused with adult use cannabis, soft drinks, candy, and
23 food that has been prepared for immediate consumption). In
24 DuPage, Kane, Lake, McHenry, and Will counties, on and after
25 the effective date of this amendatory Act of the 104th General
26 Assembly, the Board may, by ordinance, increase the tax rate

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1 to not more than 1% of the gross receipts from all taxable
2 sales made in the course of that business, including sales of
3 food for human consumption that is to be consumed off the
4 premises where it is sold (other than alcoholic liquor taxable
5 under Section 8-1 of the Liquor Control Act of 1934 beverages,
6 food consisting of or infused with adult use cannabis, soft
7 drinks, candy, and food that has been prepared for immediate
8 consumption). The rate of tax imposed in DuPage, Kane, Lake,
9 McHenry, and Will counties under this Section on sales of
10 aviation fuel on or after December 1, 2019 shall, however, be
11 0.25% unless the Authority in DuPage, Kane, Lake, McHenry, and
12 Will counties has an "airport-related purpose" and the
13 additional 0.50% of the 0.75% tax (or 0.75% of 1% tax if the
14 tax rate is increased by the Board to 1%) on aviation fuel is
15 expended for airport-related purposes. If there is no
16 airport-related purpose to which aviation fuel tax revenue is
17 dedicated, then aviation fuel is excluded from the additional
18 tax. The tax imposed under this Section and all civil
19 penalties that may be assessed as an incident thereof shall be
20 collected and enforced by the Department of Revenue. The
21 Department shall have full power to administer and enforce
22 this Section; to collect all taxes and penalties so collected
23 in the manner hereinafter provided; and to determine all
24 rights to credit memoranda arising on account of the erroneous
25 payment of tax or penalty hereunder. In the administration of,
26 and compliance with this Section, the Department and persons

1 who are subject to this Section shall have the same rights,
2 remedies, privileges, immunities, powers, and duties, and be
3 subject to the same conditions, restrictions, limitations,
4 penalties, exclusions, exemptions, and definitions of terms,
5 and employ the same modes of procedure, as are prescribed in
6 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
7 (in respect to all provisions therein other than the State
8 rate of tax and other than the exemption for food for human
9 consumption that is to be consumed off the premises where it is
10 sold (other than alcoholic liquor taxable under Section 8-1 of
11 the Liquor Control Act of 1934 beverages, food consisting of
12 or infused with adult use cannabis, soft drinks, candy, and
13 food that has been prepared for immediate consumption), which
14 is taxed at the rate as provided in this subsection), 2c, 3
15 (except as to the disposition of taxes and penalties
16 collected, and except that the retailer's discount is not
17 allowed for taxes paid on aviation fuel that are subject to the
18 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
19 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l,
20 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and 13 of the
21 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
22 Penalty and Interest Act, as fully as if those provisions were
23 set forth herein.

24 The Board and DuPage, Kane, Lake, McHenry, and Will
25 counties must comply with the certification requirements for
26 airport-related purposes under Section 2-22 of the Retailers'

1 Occupation Tax Act. For purposes of this Section,
2 "airport-related purposes" has the meaning ascribed in Section
3 6z-20.2 of the State Finance Act. This exclusion for aviation
4 fuel only applies for so long as the revenue use requirements
5 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
6 Authority.

7 Persons subject to any tax imposed under the authority
8 granted in this Section may reimburse themselves for their
9 seller's tax liability hereunder by separately stating the tax
10 as an additional charge, which charge may be stated in

11 combination in a single amount with State taxes that sellers
12 are required to collect under the Use Tax Act, under any
13 bracket schedules the Department may prescribe.

14 Whenever the Department determines that a refund should be
15 made under this Section to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the warrant to be drawn for the
18 amount specified, and to the person named, in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the Northern Illinois Transit Authority tax
21 fund established under paragraph (n) of this Section or the
22 Local Government Aviation Trust Fund, as appropriate.

23 If a tax is imposed under this subsection (e), a tax shall
24 also be imposed under subsections (f) and (g) of this Section.

25 For the purpose of determining whether a tax authorized
26 under this Section is applicable, a retail sale by a producer

1 of coal or other mineral mined in Illinois, is a sale at retail
2 at the place where the coal or other mineral mined in Illinois
3 is extracted from the earth. This paragraph does not apply to
4 coal or other mineral when it is delivered or shipped by the
5 seller to the purchaser at a point outside Illinois so that the
6 sale is exempt under the Federal Constitution as a sale in
7 interstate or foreign commerce.

8 No tax shall be imposed or collected under this subsection
9 on the sale of a motor vehicle in this State to a resident of
10 another state if that motor vehicle will not be titled in this
11 State.

12 Nothing in this Section shall be construed to authorize
13 the Authority to impose a tax upon the privilege of engaging in
14 any business that under the Constitution of the United States
15 may not be made the subject of taxation by this State.

16 (f) If a tax has been imposed under paragraph (e), a
17 Northern Illinois Transit Authority Service Occupation Tax
18 shall also be imposed upon all persons engaged in the
19 metropolitan region in the business of making sales of service
20 who, as an incident to making the sales of service, transfer
21 tangible personal property within the metropolitan region,
22 either in the form of tangible personal property or in the form

23 of real estate as an incident to a sale of service. In Cook
24 County, unless the tax rate is increased by the Board by
25 ordinance, as provided in this Section, the tax rate shall be:
26 (1) 1.25% of the serviceman's cost price of food prepared for

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1 immediate consumption and transferred incident to a sale of
2 service subject to the service occupation tax by an entity
3 that is located in the metropolitan region and that is
4 licensed under the Hospital Licensing Act, the Nursing Home
5 Care Act, the Assisted Living and Shared Housing Act, the
6 Specialized Mental Health Rehabilitation Act of 2013, the
7 ID/DD Community Care Act, the MC/DD Act, or the Child Care Act
8 of 1969, or an entity that holds a permit issued pursuant to
9 the Life Care Facilities Act; (2) 1.25% of the selling price of
10 food for human consumption that is to be consumed off the
11 premises where it is sold (other than alcoholic liquor taxable
12 under Section 8-1 of the Liquor Control Act of 1934 beverages,
13 food consisting of or infused with adult use cannabis, soft
14 drinks, candy, and food that has been prepared for immediate
15 consumption) and tangible personal property taxed at the 1%
16 rate under the Service Occupation Tax Act; and (3) 1% of the
17 selling price from other taxable sales of tangible personal
18 property transferred. In Cook County, on and after the
19 effective date of this amendatory Act of the 104th General
20 Assembly, the Board may, by ordinance, increase the tax rate
21 to not more than: (1) 1.5% of the serviceman's cost price of
22 food prepared for immediate consumption and transferred
23 incident to a sale of service subject to the service
24 occupation tax by an entity that is located in the
25 metropolitan region and that is licensed under the Hospital
26 Licensing Act, the Nursing Home Care Act, the Assisted Living

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1 and Shared Housing Act, the Specialized Mental Health
2 Rehabilitation Act of 2013, the ID/DD Community Care Act, the

3 MC/DD Act, or the Child Care Act of 1969, or an entity that
4 holds a permit issued pursuant to the Life Care Facilities
5 Act; (2) 1.5% of the selling price of food for human
6 consumption that is to be consumed off the premises where it is
7 sold (other than alcoholic liquor taxable under Section 8-1 of
8 the Liquor Control Act of 1934 beverages, food consisting of
9 or infused with adult use cannabis, soft drinks, candy, and
10 food that has been prepared for immediate consumption) and
11 tangible personal property taxed at the 1% rate under the
12 Service Occupation Tax Act; and (3) 1.25% of the selling price
13 from other taxable sales of tangible personal property
14 transferred. In DuPage, Kane, Lake, McHenry, and Will
15 counties, before the effective date of this amendatory Act of
16 the 104th General Assembly, the rate shall be (1) 0.75% of the
17 selling price of all tangible personal property transferred,
18 including food for human consumption that is to be consumed
19 off the premises where it is sold (other than alcoholic liquor
20 taxable under Section 8-1 of the Liquor Control Act of 1934
21 beverages, food consisting of or infused with adult use
22 cannabis, soft drinks, candy, and food that has been prepared
23 for immediate consumption); and (2) 0.75% of the serviceman's
24 cost price of food prepared for immediate consumption and
25 transferred incident to a sale of service subject to the
26 service occupation tax by an entity that is located in the

1 metropolitan region and that is licensed under the Hospital
2 Licensing Act, the Nursing Home Care Act, the Assisted Living
3 and Shared Housing Act, the Specialized Mental Health
4 Rehabilitation Act of 2013, the ID/DD Community Care Act, or
5 the MC/DD Act, or the Child Care Act of 1969, or an entity that
6 holds a permit issued pursuant to the Life Care Facilities
7 Act. In DuPage, Kane, Lake, McHenry, and Will counties, on and
8 after the effective date of this amendatory Act of the 104th
9 General Assembly, the Board may, by ordinance, increase the
10 tax rate to not more than 1% of the selling price of all
11 tangible personal property transferred. The rate of tax
12 imposed in DuPage, Kane, Lake, McHenry, and Will counties
13 under this Section on sales of aviation fuel on or after
14 December 1, 2019 shall, however, be 0.25% unless the Authority

15 in DuPage, Kane, Lake, McHenry, and Will counties has an
16 "airport-related purpose" and the additional 0.50% of the
17 0.75% (or 0.75% of 1% tax if the tax rate is increased by the
18 Board to 1%) tax on aviation fuel is expended for
19 airport-related purposes. If there is no airport-related
20 purpose to which aviation fuel tax revenue is dedicated, then
21 aviation fuel is excluded from the additional tax.

22 The Board and DuPage, Kane, Lake, McHenry, and Will
23 counties must comply with the certification requirements for
24 airport-related purposes under Section 2-22 of the Retailers'
25 Occupation Tax Act. For purposes of this Section,
26 "airport-related purposes" has the meaning ascribed in Section

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1 6z-20.2 of the State Finance Act. This exclusion for aviation
2 fuel only applies for so long as the revenue use requirements
3 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
4 Authority.

5 The tax imposed under this paragraph and all civil
6 penalties that may be assessed as an incident thereof shall be
7 collected and enforced by the Department of Revenue. The
8 Department shall have full power to administer and enforce
9 this paragraph; to collect all taxes and penalties due
10 hereunder; to dispose of taxes and penalties collected in the
11 manner hereinafter provided; and to determine all rights to
12 credit memoranda arising on account of the erroneous payment
13 of tax or penalty hereunder. In the administration of and
14 compliance with this paragraph, the Department and persons who
15 are subject to this paragraph shall have the same rights,
16 remedies, privileges, immunities, powers, and duties, and be
17 subject to the same conditions, restrictions, limitations,
18 penalties, exclusions, exemptions, and definitions of terms,
19 and employ the same modes of procedure, as are prescribed in
20 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
21 provisions therein other than (i) the State rate of tax; (ii)
22 the exemption for food for human consumption that is to be
23 consumed off the premises where it is sold (other than
24 alcoholic liquor taxable under Section 8-1 of the Liquor
25 Control Act of 1934 ~~beverages~~, food consisting of or infused
26 with adult use cannabis, soft drinks, candy, and food that has

1 been prepared for immediate consumption), which is taxed at
2 the rate as provided in this subsection; and (iii) the
3 exemption for food prepared for immediate consumption and
4 transferred incident to a sale of service subject to the
5 service occupation tax by an entity that is licensed under the
6 Hospital Licensing Act, the Nursing Home Care Act, the
7 Assisted Living and Shared Housing Act, the Specialized Mental
8 Health Rehabilitation Act of 2013, the ID/DD Community Care
9 Act, or the MC/DD Act, or the Child Care Act of 1969, or an
10 entity that holds a permit issued pursuant to the Life Care
11 Facilities Act, which is taxed at the rate as provided in this
12 subsection), 4 (except that the reference to the State shall
13 be to the Authority), 5, 7, 8 (except that the jurisdiction to
14 which the tax shall be a debt to the extent indicated in that
15 Section 8 shall be the Authority), 9 (except as to the
16 disposition of taxes and penalties collected, and except that
17 the returned merchandise credit for this tax may not be taken
18 against any State tax, and except that the retailer's discount
19 is not allowed for taxes paid on aviation fuel that are subject
20 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
21 U.S.C. 47133), 10, 11, 12 (except the reference therein to
22 Section 2b of the Retailers' Occupation Tax Act), 13 (except
23 that any reference to the State shall mean the Authority), the
24 first paragraph of Section 15, 16, 17, 18, 19, and 20 of the
25 Service Occupation Tax Act and Section 3-7 of the Uniform
26 Penalty and Interest Act, as fully as if those provisions were

1 set forth herein.
2 Persons subject to any tax imposed under the authority
3 granted in this paragraph may reimburse themselves for their
4 serviceman's tax liability hereunder by separately stating the
5 tax as an additional charge, that charge may be stated in
6 combination in a single amount with State tax that servicemen

7 are authorized to collect under the Service Use Tax Act, under
8 any bracket schedules the Department may prescribe.

9 Whenever the Department of Revenue determines that a
10 refund should be made under this paragraph to a claimant
11 instead of issuing a credit memorandum, the Department of
12 Revenue shall notify the State Comptroller, who shall cause
13 the warrant to be drawn for the amount specified, and to the
14 person named in the notification from the Department of
15 Revenue. The refund shall be paid by the State Treasurer out of
16 the Northern Illinois Transit Authority tax fund established
17 under paragraph (n) of this Section or the Local Government
18 Aviation Trust Fund, as appropriate.

19 Nothing in this paragraph shall be construed to authorize
20 the Authority to impose a tax upon the privilege of engaging in
21 any business that under the Constitution of the United States
22 may not be made the subject of taxation by the State.

23 (g) If a tax has been imposed under paragraph (e), a tax
24 shall also be imposed upon the privilege of using in the
25 metropolitan region, any item of tangible personal property
26 that is purchased outside the metropolitan region at retail

1 from a retailer, and that is titled or registered with an
2 agency of this State's government. In Cook County, unless the
3 tax rate is increased by the Board by ordinance, as provided in
4 this Section, the tax rate shall be 1% of the selling price of
5 the tangible personal property, as "selling price" is defined
6 in the Use Tax Act. In Cook County, on and after the effective
7 date of this amendatory Act of the 104th General Assembly, the
8 Board may, by ordinance, increase the tax rate to not more than
9 1.25% of the selling price of the tangible personal property,
10 as "selling price" is defined in the Use Tax Act. In DuPage,
11 Kane, Lake, McHenry, and Will counties, before the effective
12 date of this amendatory Act of the 104th General Assembly, the
13 tax rate shall be 0.75% of the selling price of the tangible
14 personal property, as "selling price" is defined in the Use
15 Tax Act. In DuPage, Kane, Lake, McHenry, and Will counties, on
16 and after the effective date of this amendatory Act of the
17 104th General Assembly, the Board may, by ordinance, increase
18 the tax rate to not more than 1% of the selling price of the

19 tangible personal property, as "selling price" is defined in
20 the Use Tax Act. The tax shall be collected from persons whose
21 Illinois address for titling or registration purposes is given
22 as being in the metropolitan region. The tax shall be
23 collected by the Department of Revenue for the Authority. The
24 tax must be paid to the State, or an exemption determination
25 must be obtained from the Department of Revenue, before the
26 title or certificate of registration for the property may be

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1 issued. The tax or proof of exemption may be transmitted to the
2 Department by way of the State agency with which, or the State
3 officer with whom, the tangible personal property must be
4 titled or registered if the Department and the State agency or
5 State officer determine that this procedure will expedite the
6 processing of applications for title or registration.

7 The Department shall have full power to administer and
8 enforce this paragraph; to collect all taxes, penalties, and
9 interest due hereunder; to dispose of taxes, penalties, and
10 interest collected in the manner hereinafter provided; and to
11 determine all rights to credit memoranda or refunds arising on
12 account of the erroneous payment of tax, penalty, or interest
13 hereunder. In the administration of and compliance with this
14 paragraph, the Department and persons who are subject to this
15 paragraph shall have the same rights, remedies, privileges,
16 immunities, powers, and duties, and be subject to the same
17 conditions, restrictions, limitations, penalties, exclusions,
18 exemptions, and definitions of terms and employ the same modes
19 of procedure, as are prescribed in Sections 2 (except the
20 definition of "retailer maintaining a place of business in
21 this State"), 3 through 3-80 (except provisions pertaining to
22 the State rate of tax, and except provisions concerning
23 collection or refunding of the tax by retailers), 4, 11, 12,
24 12a, 14, 15, 19 (except the portions pertaining to claims by
25 retailers and except the last paragraph concerning refunds),
26 20, 21, and 22 of the Use Tax Act, and are not inconsistent

1 with this paragraph, as fully as if those provisions were set
2 forth herein.

3 Whenever the Department determines that a refund should be
4 made under this paragraph to a claimant instead of issuing a
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the order to be drawn for the
7 amount specified, and to the person named in the notification
8 from the Department. The refund shall be paid by the State
9 Treasurer out of the Northern Illinois Transit Authority tax
10 fund established under paragraph (n) of this Section.

11 (g-5) If, on January 1, 2025, a unit of local government
12 has in effect a tax under subsections (e), (f), and (g), or if,
13 after January 1, 2025, a unit of local government imposes a tax
14 under subsections (e), (f), and (g), then that tax applies to
15 leases of tangible personal property in effect, entered into,
16 or renewed on or after that date in the same manner as the tax
17 under this Section and in accordance with the changes made by
18 Public Act 103-592.

19 (h) The Authority may impose a replacement vehicle tax of
20 \$50 on any passenger car as defined in Section 1-157 of the
21 Illinois Vehicle Code purchased within the metropolitan region
22 by or on behalf of an insurance company to replace a passenger
23 car of an insured person in settlement of a total loss claim.
24 The tax imposed may not become effective before the first day
25 of the month following the passage of the ordinance imposing
26 the tax and receipt of a certified copy of the ordinance by the

1 Department of Revenue. The Department of Revenue shall collect
2 the tax for the Authority in accordance with Sections 3-2002
3 and 3-2003 of the Illinois Vehicle Code.

4 The Department shall immediately pay over to the State
5 Treasurer, ex officio, as trustee, all taxes collected
6 hereunder.

7 As soon as possible after the first day of each month,
8 beginning January 1, 2011, upon certification of the
9 Department of Revenue, the Comptroller shall order
10 transferred, and the Treasurer shall transfer, to the STAR

11 Bonds Revenue Fund the local sales tax increment, as defined
12 in the Innovation Development and Economy Act, collected under
13 this Section during the second preceding calendar month for
14 sales within a STAR bond district.

15 After the monthly transfer to the STAR Bonds Revenue Fund,
16 on or before the 25th day of each calendar month, the
17 Department shall prepare and certify to the Comptroller the
18 disbursement of stated sums of money to the Authority. The
19 amount to be paid to the Authority shall be the amount
20 collected hereunder during the second preceding calendar month
21 by the Department, less any amount determined by the
22 Department to be necessary for the payment of refunds, and
23 less any amounts that are transferred to the STAR Bonds
24 Revenue Fund. Within 10 days after receipt by the Comptroller
25 of the disbursement certification to the Authority provided
26 for in this Section to be given to the Comptroller by the

1 Department, the Comptroller shall cause the orders to be drawn
2 for that amount in accordance with the directions contained in
3 the certification.

4 (i) The Board may not impose any other taxes except as it
5 may from time to time be authorized by law to impose.

6 (j) A certificate of registration issued by the Department
7 of Revenue to a retailer under the Retailers' Occupation Tax
8 Act or under the Service Occupation Tax Act shall permit the
9 registrant to engage in a business that is taxed under the tax
10 imposed under paragraphs (b), (e), (f) or (g) of this Section
11 and no additional registration shall be required under the
12 tax. A certificate issued under the Use Tax Act or the Service
13 Use Tax Act shall be applicable with regard to any tax imposed
14 under paragraph (c) of this Section.

15 (k) The provisions of any tax imposed under paragraph (c)
16 of this Section shall conform as closely as may be practicable
17 to the provisions of the Use Tax Act, including, without
18 limitation, conformity as to penalties with respect to the tax
19 imposed and as to the powers of the Department of Revenue to
20 promulgate and enforce rules and regulations relating to the
21 administration and enforcement of the provisions of the tax
22 imposed. The taxes shall be imposed only on use within the

23 metropolitan region and at rates as provided in the paragraph.
24 (l) The Board in imposing any tax as provided in
25 paragraphs (b) and (c) of this Section, shall, after seeking
26 the advice of the Department of Revenue, provide means for

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1 retailers, users or purchasers of motor fuel for purposes
2 other than those with regard to which the taxes may be imposed
3 as provided in those paragraphs to receive refunds of taxes
4 improperly paid, which provisions may be at variance with the
5 refund provisions as applicable under the Municipal Retailers
6 Occupation Tax Act. The Department of Revenue may provide for
7 certificates of registration for users or purchasers of motor
8 fuel for purposes other than those with regard to which taxes
9 may be imposed as provided in paragraphs (b) and (c) of this
10 Section to facilitate the reporting and nontaxability of the
11 exempt sales or uses.

12 (m) Any ordinance imposing or discontinuing any tax under
13 this Section shall be adopted and a certified copy thereof
14 filed with the Department on or before June 1, whereupon the
15 Department of Revenue shall proceed to administer and enforce
16 this Section on behalf of the Authority as of September 1 next
17 following such adoption and filing. Beginning January 1, 1992,
18 an ordinance or resolution imposing or discontinuing the tax
19 hereunder shall be adopted and a certified copy thereof filed
20 with the Department on or before the first day of July,
21 whereupon the Department shall proceed to administer and
22 enforce this Section as of the first day of October next
23 following such adoption and filing. Beginning January 1, 1993,
24 an ordinance or resolution imposing, increasing, decreasing,
25 or discontinuing the tax hereunder shall be adopted and a
26 certified copy thereof filed with the Department, whereupon

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1 the Department shall proceed to administer and enforce this
2 Section as of the first day of the first month to occur not

3 less than 60 days following such adoption and filing. Any
4 ordinance or resolution of the Authority imposing a tax under
5 this Section and in effect on August 1, 2007 shall remain in
6 full force and effect and shall be administered by the
7 Department of Revenue under the terms and conditions and rates
8 of tax established by such ordinance or resolution until the
9 Department begins administering and enforcing an increased tax
10 under this Section as authorized by Public Act 95-708. Any
11 ordinance or resolution of the Authority imposing a tax under
12 this Section and in effect on the effective date of this
13 amendatory Act of the 104th General Assembly shall remain in
14 full force and effect and shall be administered by the
15 Department of Revenue under the terms and conditions and rates
16 of tax established by such ordinance or resolution until the
17 Department begins administering and enforcing an increased tax
18 under this Section as authorized by this amendatory Act of the
19 104th General Assembly. The tax rates authorized by Public Act
20 95-708 are effective only if imposed by ordinance of the
21 Authority. The tax rates authorized by this amendatory Act of
22 the 104th General Assembly are effective only if an ordinance
23 is approved by the Authority with the affirmative votes of a
24 simple majority of its then Directors.

25 (n) Except as otherwise provided in this subsection (n),
26 the Department of Revenue shall, upon collecting any taxes as

1 provided in this Section, pay the taxes over to the State
2 Treasurer as trustee for the Authority. The taxes shall be
3 held in a trust fund outside the State treasury. If an
4 airport-related purpose has been certified, taxes and
5 penalties collected in DuPage, Kane, Lake, McHenry and Will
6 counties on aviation fuel sold on or after December 1, 2019
7 from the 0.50% of the 0.75% rate shall be immediately paid over
8 by the Department to the State Treasurer, ex officio, as
9 trustee, for deposit into the Local Government Aviation Trust
10 Fund. The Department shall only pay moneys into the Local
11 Government Aviation Trust Fund under this Act for so long as
12 the revenue use requirements of 49 U.S.C. 47107(b) and 49
13 U.S.C. 47133 are binding on the Authority. On or before the
14 25th day of each calendar month, the Department of Revenue

15 shall prepare and certify to the Comptroller of the State of
16 Illinois and to the Authority (i) the amount of taxes
17 collected in each county other than Cook County in the
18 metropolitan region, (not including, if an airport-related
19 purpose has been certified, the taxes and penalties collected
20 from the 0.50% of the 0.75% rate on aviation fuel sold on or
21 after December 1, 2019 that are deposited into the Local
22 Government Aviation Trust Fund) (ii) the amount of taxes
23 collected within the City of Chicago, and (iii) the amount
24 collected in that portion of Cook County outside of Chicago,
25 each amount less the amount necessary for the payment of
26 refunds to taxpayers located in those areas described in items

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1 (i), (ii), and (iii), and less 1.5% of the remainder, which
2 shall be transferred from the trust fund into the Tax
3 Compliance and Administration Fund. The Department, at the
4 time of each monthly disbursement to the Authority, shall
5 prepare and certify to the State Comptroller the amount to be
6 transferred into the Tax Compliance and Administration Fund
7 under this subsection. Within 10 days after receipt by the
8 Comptroller of the certification of the amounts, the
9 Comptroller shall cause an order to be drawn for the transfer
10 of the amount certified into the Tax Compliance and
11 Administration Fund and the payment of two-thirds of the
12 amounts certified in item (i) of this subsection to the
13 Authority and one-third of the amounts certified in item (i)
14 of this subsection to the respective counties other than Cook
15 County and the amount certified in items (ii) and (iii) of this
16 subsection to the Authority.

17 In addition to the disbursement required by the preceding
18 paragraph, an allocation shall be made in July 1991 and each
19 year thereafter to the Authority. The allocation shall be made
20 in an amount equal to the average monthly distribution during
21 the preceding calendar year (excluding the 2 months of lowest
22 receipts) and the allocation shall include the amount of
23 average monthly distribution from the Northern Illinois
24 Transit Authority Occupation and Use Tax Replacement Fund. The
25 distribution made in July 1992 and each year thereafter under
26 this paragraph and the preceding paragraph shall be reduced by

1 the amount allocated and disbursed under this paragraph in the
2 preceding calendar year. The Department of Revenue shall
3 prepare and certify to the Comptroller for disbursement the
4 allocations made in accordance with this paragraph.

5 (o) Failure to adopt a budget ordinance or otherwise to
6 comply with Section 4.01 or to adopt a 5-Year Capital Program
7 or otherwise to comply with paragraph (b) of Section 2.01 of
8 this Act shall not affect the validity of any tax imposed by
9 the Authority otherwise in conformity with law.

10 (p) At no time shall a public transportation tax or motor
11 vehicle parking tax authorized under paragraphs (b), (c), and
12 (d) of this Section be in effect at the same time as any
13 retailers' occupation, use or service occupation tax
14 authorized under paragraphs (e), (f), and (g) of this Section
15 is in effect.

16 Any taxes imposed under the authority provided in
17 paragraphs (b), (c), and (d) shall remain in effect only until
18 the time as any tax authorized by paragraph (e), (f), or (g) of
19 this Section is imposed and becomes effective. Once any tax
20 authorized by paragraph (e), (f), or (g) is imposed the Board
21 may not reimpose taxes as authorized in paragraphs (b), (c),
22 and (d) of the Section unless any tax authorized by paragraph
23 (e), (f), or (g) of this Section becomes ineffective by means
24 other than an ordinance of the Board.

25 (q) Any existing rights, remedies and obligations
26 (including enforcement by the Authority) arising under any tax

1 imposed under paragraph (b), (c), or (d) of this Section shall
2 not be affected by the imposition of a tax under paragraph (e),
3 (f), or (g) of this Section.

4 (r) The Board shall hold a vote on whether to adopt an
5 ordinance to increase the tax rate to the rates authorized by
6 this amendatory Act of the 104th General Assembly within 60

7 days of the effective date of this amendatory Act of the 104th
8 General Assembly.
9 (Source: P.A. 103-592, eff. 1-1-25; 103-781, eff. 8-5-24;
10 104-6, eff. 1-1-26; 104-417, eff. 8-15-25; 104-457, eff.
11 6-1-26.)

12 Section 70-105. The Water Commission Act of 1985 is
13 amended by changing Section 4 as follows:

14 (70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

15 (Text of Section before amendment by P.A. 104-457)

16 Sec. 4. Taxes.

17 (a) The board of commissioners of any county water
18 commission may, by ordinance, impose throughout the territory
19 of the commission any or all of the taxes provided in this
20 Section for its corporate purposes. However, no county water
21 commission may impose any such tax unless the commission
22 certifies the proposition of imposing the tax to the proper
23 election officials, who shall submit the proposition to the
24 voters residing in the territory at an election in accordance

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1 with the general election law, and the proposition has been
2 approved by a majority of those voting on the proposition.

3 The proposition shall be in the form provided in Section 5
4 or shall be substantially in the following form:

5 -----

6 Shall the (insert corporate	
7 name of county water commission)	YES
8 impose (state type of tax or	-----
9 taxes to be imposed) at the	NO
10 rate of 1/4%?	

11 -----

12 Taxes imposed under this Section and civil penalties
13 imposed incident thereto shall be collected and enforced by
14 the State Department of Revenue. The Department shall have the
15 power to administer and enforce the taxes and to determine all
16 rights for refunds for erroneous payments of the taxes.

17 (b) The board of commissioners may impose a County Water
18 Commission Retailers' Occupation Tax upon all persons engaged

19 in the business of selling tangible personal property at
20 retail in the territory of the commission at a rate of 1/4% of
21 the gross receipts from the sales made in the course of such
22 business within the territory. Beginning January 1, 2021, this
23 tax is not imposed on sales of aviation fuel for so long as the
24 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
25 47133 are binding on the District.

26 The tax imposed under this paragraph and all civil

1 penalties that may be assessed as an incident thereof shall be
2 collected and enforced by the State Department of Revenue. The
3 Department shall have full power to administer and enforce
4 this paragraph; to collect all taxes and penalties due
5 hereunder; to dispose of taxes and penalties so collected in
6 the manner hereinafter provided; and to determine all rights
7 to credit memoranda arising on account of the erroneous
8 payment of tax or penalty hereunder. In the administration of,
9 and compliance with, this paragraph, the Department and
10 persons who are subject to this paragraph shall have the same
11 rights, remedies, privileges, immunities, powers and duties,
12 and be subject to the same conditions, restrictions,
13 limitations, penalties, exclusions, exemptions and definitions
14 of terms, and employ the same modes of procedure, as are
15 prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2
16 through 2-65 (in respect to all provisions therein other than
17 the State rate of tax except that tangible personal property
18 taxed at the 1% rate under the Retailers' Occupation Tax Act
19 shall not be subject to tax hereunder), 2c, 3 (except as to the
20 disposition of taxes and penalties collected, and except that
21 the retailer's discount is not allowed for taxes paid on
22 aviation fuel sold on or after December 1, 2019 and through
23 December 31, 2020), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i,
24 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and
25 13 of the Retailers' Occupation Tax Act and Section 3-7 of the
26 Uniform Penalty and Interest Act, as fully as if those

1 provisions were set forth herein.

2 Persons subject to any tax imposed under the authority
3 granted in this paragraph may reimburse themselves for their
4 seller's tax liability hereunder by separately stating the tax
5 as an additional charge, which charge may be stated in
6 combination, in a single amount, with State taxes that sellers
7 are required to collect under the Use Tax Act and under
8 subsection (e) of Section 4.03 of the Regional Transportation
9 Authority Act, in accordance with such bracket schedules as
10 the Department may prescribe.

11 Whenever the Department determines that a refund should be
12 made under this paragraph to a claimant instead of issuing a
13 credit memorandum, the Department shall notify the State
14 Comptroller, who shall cause the warrant to be drawn for the
15 amount specified, and to the person named, in the notification
16 from the Department. The refund shall be paid by the State
17 Treasurer out of a county water commission tax fund
18 established under subsection (g) of this Section.

19 For the purpose of determining whether a tax authorized
20 under this paragraph is applicable, a retail sale by a
21 producer of coal or other mineral mined in Illinois is a sale
22 at retail at the place where the coal or other mineral mined in
23 Illinois is extracted from the earth. This paragraph does not
24 apply to coal or other mineral when it is delivered or shipped
25 by the seller to the purchaser at a point outside Illinois so
26 that the sale is exempt under the Federal Constitution as a

1 sale in interstate or foreign commerce.

2 If a tax is imposed under this subsection (b), a tax shall
3 also be imposed under subsections (c) and (d) of this Section.

4 No tax shall be imposed or collected under this subsection
5 on the sale of a motor vehicle in this State to a resident of
6 another state if that motor vehicle will not be titled in this
7 State.

8 Nothing in this paragraph shall be construed to authorize
9 a county water commission to impose a tax upon the privilege of
10 engaging in any business which under the Constitution of the

11 United States may not be made the subject of taxation by this
12 State.

13 (c) If a tax has been imposed under subsection (b), a
14 County Water Commission Service Occupation Tax shall also be
15 imposed upon all persons engaged, in the territory of the
16 commission, in the business of making sales of service, who,
17 as an incident to making the sales of service, transfer
18 tangible personal property within the territory. The tax rate
19 shall be 1/4% of the selling price of tangible personal
20 property so transferred within the territory. Beginning
21 January 1, 2021, this tax is not imposed on sales of aviation
22 fuel for so long as the revenue use requirements of 49 U.S.C.
23 47107(b) and 49 U.S.C. 47133 are binding on the District.

24 The tax imposed under this paragraph and all civil
25 penalties that may be assessed as an incident thereof shall be
26 collected and enforced by the State Department of Revenue. The

1 Department shall have full power to administer and enforce
2 this paragraph; to collect all taxes and penalties due
3 hereunder; to dispose of taxes and penalties so collected in
4 the manner hereinafter provided; and to determine all rights
5 to credit memoranda arising on account of the erroneous
6 payment of tax or penalty hereunder. In the administration of,
7 and compliance with, this paragraph, the Department and
8 persons who are subject to this paragraph shall have the same
9 rights, remedies, privileges, immunities, powers and duties,
10 and be subject to the same conditions, restrictions,
11 limitations, penalties, exclusions, exemptions and definitions
12 of terms, and employ the same modes of procedure, as are
13 prescribed in Sections 1a-1, 2 (except that the reference to
14 State in the definition of supplier maintaining a place of
15 business in this State shall mean the territory of the
16 commission), 2a, 3 through 3-50 (in respect to all provisions
17 therein other than the State rate of tax except that tangible
18 personal property taxed at the 1% rate under the Service
19 Occupation Tax Act shall not be subject to tax hereunder), 4
20 (except that the reference to the State shall be to the
21 territory of the commission), 5, 7, 8 (except that the
22 jurisdiction to which the tax shall be a debt to the extent

23 indicated in that Section 8 shall be the commission), 9
24 (except as to the disposition of taxes and penalties collected
25 and except that the returned merchandise credit for this tax
26 may not be taken against any State tax, and except that the

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1 retailer's discount is not allowed for taxes paid on aviation
2 fuel sold on or after December 1, 2019 and through December 31,
3 2020), 10, 11, 12 (except the reference therein to Section 2b
4 of the Retailers' Occupation Tax Act), 13 (except that any
5 reference to the State shall mean the territory of the
6 commission), the first paragraph of Section 15, 15.5, 16, 17,
7 18, 19, and 20 of the Service Occupation Tax Act as fully as if
8 those provisions were set forth herein.

9 Persons subject to any tax imposed under the authority
10 granted in this paragraph may reimburse themselves for their
11 serviceman's tax liability hereunder by separately stating the
12 tax as an additional charge, which charge may be stated in
13 combination, in a single amount, with State tax that
14 servicemen are authorized to collect under the Service Use Tax
15 Act, and any tax for which servicemen may be liable under
16 subsection (f) of Section 4.03 of the Regional Transportation
17 Authority Act, in accordance with such bracket schedules as
18 the Department may prescribe.

19 Whenever the Department determines that a refund should be
20 made under this paragraph to a claimant instead of issuing a
21 credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause the warrant to be drawn for the
23 amount specified, and to the person named, in the notification
24 from the Department. The refund shall be paid by the State
25 Treasurer out of a county water commission tax fund
26 established under subsection (g) of this Section.

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1 Nothing in this paragraph shall be construed to authorize
2 a county water commission to impose a tax upon the privilege of

3 engaging in any business which under the Constitution of the
4 United States may not be made the subject of taxation by the
5 State.

6 (d) If a tax has been imposed under subsection (b), a tax
7 shall also be imposed upon the privilege of using, in the
8 territory of the commission, any item of tangible personal
9 property that is purchased outside the territory at retail
10 from a retailer, and that is titled or registered with an
11 agency of this State's government, at a rate of 1/4% of the
12 selling price of the tangible personal property within the
13 territory, as "selling price" is defined in the Use Tax Act.
14 The tax shall be collected from persons whose Illinois address
15 for titling or registration purposes is given as being in the
16 territory. The tax shall be collected by the Department of
17 Revenue for a county water commission. The tax must be paid to
18 the State, or an exemption determination must be obtained from
19 the Department of Revenue, before the title or certificate of
20 registration for the property may be issued. The tax or proof
21 of exemption may be transmitted to the Department by way of the
22 State agency with which, or the State officer with whom, the
23 tangible personal property must be titled or registered if the
24 Department and the State agency or State officer determine
25 that this procedure will expedite the processing of
26 applications for title or registration.

1 The Department shall have full power to administer and
2 enforce this paragraph; to collect all taxes, penalties, and
3 interest due hereunder; to dispose of taxes, penalties, and
4 interest so collected in the manner hereinafter provided; and
5 to determine all rights to credit memoranda or refunds arising
6 on account of the erroneous payment of tax, penalty, or
7 interest hereunder. In the administration of and compliance
8 with this paragraph, the Department and persons who are
9 subject to this paragraph shall have the same rights,
10 remedies, privileges, immunities, powers, and duties, and be
11 subject to the same conditions, restrictions, limitations,
12 penalties, exclusions, exemptions, and definitions of terms
13 and employ the same modes of procedure, as are prescribed in
14 Sections 2 (except the definition of "retailer maintaining a

15 place of business in this State"), 3 through 3-80 (except
16 provisions pertaining to the State rate of tax, and except
17 provisions concerning collection or refunding of the tax by
18 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions
19 pertaining to claims by retailers and except the last
20 paragraph concerning refunds), 20, 21, and 22 of the Use Tax
21 Act and Section 3-7 of the Uniform Penalty and Interest Act
22 that are not inconsistent with this paragraph, as fully as if
23 those provisions were set forth herein.

24 Whenever the Department determines that a refund should be
25 made under this paragraph to a claimant instead of issuing a
26 credit memorandum, the Department shall notify the State

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1 Comptroller, who shall cause the order to be drawn for the
2 amount specified, and to the person named, in the notification
3 from the Department. The refund shall be paid by the State
4 Treasurer out of a county water commission tax fund
5 established under subsection (g) of this Section.

6 (e) A certificate of registration issued by the State
7 Department of Revenue to a retailer under the Retailers'
8 Occupation Tax Act or under the Service Occupation Tax Act
9 shall permit the registrant to engage in a business that is
10 taxed under the tax imposed under subsection (b), (c), or (d)
11 of this Section and no additional registration shall be
12 required under the tax. A certificate issued under the Use Tax
13 Act or the Service Use Tax Act shall be applicable with regard
14 to any tax imposed under subsection (c) of this Section.

15 (f) Any ordinance imposing or discontinuing any tax under
16 this Section shall be adopted and a certified copy thereof
17 filed with the Department on or before June 1, whereupon the
18 Department of Revenue shall proceed to administer and enforce
19 this Section on behalf of the county water commission as of
20 September 1 next following the adoption and filing. Beginning
21 January 1, 1992, an ordinance or resolution imposing or
22 discontinuing the tax hereunder shall be adopted and a
23 certified copy thereof filed with the Department on or before
24 the first day of July, whereupon the Department shall proceed
25 to administer and enforce this Section as of the first day of
26 October next following such adoption and filing. Beginning

1 January 1, 1993, an ordinance or resolution imposing or
2 discontinuing the tax hereunder shall be adopted and a
3 certified copy thereof filed with the Department on or before
4 the first day of October, whereupon the Department shall
5 proceed to administer and enforce this Section as of the first
6 day of January next following such adoption and filing.

7 (g) The State Department of Revenue shall, upon collecting
8 any taxes as provided in this Section, pay the taxes over to
9 the State Treasurer as trustee for the commission. The taxes
10 shall be held in a trust fund outside the State Treasury.

11 As soon as possible after the first day of each month,
12 beginning January 1, 2011, upon certification of the
13 Department of Revenue, the Comptroller shall order
14 transferred, and the Treasurer shall transfer, to the STAR
15 Bonds Revenue Fund the local sales tax increment, as defined
16 in the Innovation Development and Economy Act, collected under
17 this Section during the second preceding calendar month for
18 sales within a STAR bond district.

19 After the monthly transfer to the STAR Bonds Revenue Fund,
20 on or before the 25th day of each calendar month, the State
21 Department of Revenue shall prepare and certify to the
22 Comptroller of the State of Illinois the amount to be paid to
23 the commission, which shall be the amount (not including
24 credit memoranda) collected under this Section during the
25 second preceding calendar month by the Department plus an
26 amount the Department determines is necessary to offset any

1 amounts that were erroneously paid to a different taxing body,
2 and not including any amount equal to the amount of refunds
3 made during the second preceding calendar month by the
4 Department on behalf of the commission, and not including any
5 amount that the Department determines is necessary to offset
6 any amounts that were payable to a different taxing body but

7 were erroneously paid to the commission, and less any amounts
8 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
9 of the remainder, which shall be transferred into the Tax
10 Compliance and Administration Fund. The Department, at the
11 time of each monthly disbursement to the commission, shall
12 prepare and certify to the State Comptroller the amount to be
13 transferred into the Tax Compliance and Administration Fund
14 under this subsection. Within 10 days after receipt by the
15 Comptroller of the certification of the amount to be paid to
16 the commission and the Tax Compliance and Administration Fund,
17 the Comptroller shall cause an order to be drawn for the
18 payment for the amount in accordance with the direction in the
19 certification.

20 (h) Beginning June 1, 2016, any tax imposed pursuant to
21 this Section may no longer be imposed or collected, unless a
22 continuation of the tax is approved by the voters at a
23 referendum as set forth in this Section.

24 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
25 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.
26 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

1 (Text of Section after amendment by P.A. 104-457)

2 Sec. 4. Taxes.

3 (a) The board of commissioners of any county water
4 commission may, by ordinance, impose throughout the territory
5 of the commission any or all of the taxes provided in this
6 Section for its corporate purposes. However, no county water
7 commission may impose any such tax unless the commission
8 certifies the proposition of imposing the tax to the proper
9 election officials, who shall submit the proposition to the
10 voters residing in the territory at an election in accordance
11 with the general election law, and the proposition has been
12 approved by a majority of those voting on the proposition.

13 The proposition shall be in the form provided in Section 5
14 or shall be substantially in the following form:

15 -----

16 Shall the (insert corporate
17 name of county water commission)

YES

18 impose (state type of tax or -----
19 taxes to be imposed) at the NO
20 rate of 1/4%?
21 -----

22 Taxes imposed under this Section and civil penalties
23 imposed incident thereto shall be collected and enforced by
24 the State Department of Revenue. The Department shall have the
25 power to administer and enforce the taxes and to determine all

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1 rights for refunds for erroneous payments of the taxes.

2 (b) The board of commissioners may impose a County Water
3 Commission Retailers' Occupation Tax upon all persons engaged
4 in the business of selling tangible personal property at
5 retail in the territory of the commission at a rate of 1/4% of
6 the gross receipts from the sales made in the course of such
7 business within the territory. Beginning January 1, 2021, this
8 tax is not imposed on sales of aviation fuel for so long as the
9 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
10 47133 are binding on the District.

11 The tax imposed under this paragraph and all civil
12 penalties that may be assessed as an incident thereof shall be
13 collected and enforced by the State Department of Revenue. The
14 Department shall have full power to administer and enforce
15 this paragraph; to collect all taxes and penalties due
16 hereunder; to dispose of taxes and penalties so collected in
17 the manner hereinafter provided; and to determine all rights
18 to credit memoranda arising on account of the erroneous
19 payment of tax or penalty hereunder. In the administration of,
20 and compliance with, this paragraph, the Department and
21 persons who are subject to this paragraph shall have the same
22 rights, remedies, privileges, immunities, powers and duties,
23 and be subject to the same conditions, restrictions,
24 limitations, penalties, exclusions, exemptions and definitions
25 of terms, and employ the same modes of procedure, as are
26 prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2

1 through 2-65 (in respect to all provisions therein other than
2 the State rate of tax except that tangible personal property
3 taxed at the 1% rate under the Retailers' Occupation Tax Act
4 shall not be subject to tax hereunder), 2c, 3 (except as to the
5 disposition of taxes and penalties collected, and except that
6 the retailer's discount is not allowed for taxes paid on
7 aviation fuel sold on or after December 1, 2019 and through
8 December 31, 2020), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i,
9 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and
10 13 of the Retailers' Occupation Tax Act and Section 3-7 of the
11 Uniform Penalty and Interest Act, as fully as if those
12 provisions were set forth herein.

13 Persons subject to any tax imposed under the authority
14 granted in this paragraph may reimburse themselves for their
15 seller's tax liability hereunder by separately stating the tax
16 as an additional charge, which charge may be stated in
17 combination, in a single amount, with State taxes that sellers
18 are required to collect under the Use Tax Act and under
19 subsection (e) of Section 4.03 of the Northern Illinois
20 Transit Authority Act, in accordance with such bracket
21 schedules as the Department may prescribe.

22 Whenever the Department determines that a refund should be
23 made under this paragraph to a claimant instead of issuing a
24 credit memorandum, the Department shall notify the State
25 Comptroller, who shall cause the warrant to be drawn for the
26 amount specified, and to the person named, in the notification

1 from the Department. The refund shall be paid by the State
2 Treasurer out of a county water commission tax fund
3 established under subsection (g) of this Section.

4 For the purpose of determining whether a tax authorized
5 under this paragraph is applicable, a retail sale by a
6 producer of coal or other mineral mined in Illinois is a sale
7 at retail at the place where the coal or other mineral mined in
8 Illinois is extracted from the earth. This paragraph does not
9 apply to coal or other mineral when it is delivered or shipped
10 by the seller to the purchaser at a point outside Illinois so

11 that the sale is exempt under the Federal Constitution as a
12 sale in interstate or foreign commerce.

13 If a tax is imposed under this subsection (b), a tax shall
14 also be imposed under subsections (c) and (d) of this Section.

15 No tax shall be imposed or collected under this subsection
16 on the sale of a motor vehicle in this State to a resident of
17 another state if that motor vehicle will not be titled in this
18 State.

19 Nothing in this paragraph shall be construed to authorize
20 a county water commission to impose a tax upon the privilege of
21 engaging in any business which under the Constitution of the
22 United States may not be made the subject of taxation by this
23 State.

24 (c) If a tax has been imposed under subsection (b), a
25 County Water Commission Service Occupation Tax shall also be
26 imposed upon all persons engaged, in the territory of the

1 commission, in the business of making sales of service, who,
2 as an incident to making the sales of service, transfer
3 tangible personal property within the territory. The tax rate
4 shall be 1/4% of the selling price of tangible personal
5 property so transferred within the territory. Beginning
6 January 1, 2021, this tax is not imposed on sales of aviation
7 fuel for so long as the revenue use requirements of 49 U.S.C.
8 47107(b) and 49 U.S.C. 47133 are binding on the District.

9 The tax imposed under this paragraph and all civil
10 penalties that may be assessed as an incident thereof shall be
11 collected and enforced by the State Department of Revenue. The
12 Department shall have full power to administer and enforce
13 this paragraph; to collect all taxes and penalties due
14 hereunder; to dispose of taxes and penalties so collected in
15 the manner hereinafter provided; and to determine all rights
16 to credit memoranda arising on account of the erroneous
17 payment of tax or penalty hereunder. In the administration of,
18 and compliance with, this paragraph, the Department and
19 persons who are subject to this paragraph shall have the same
20 rights, remedies, privileges, immunities, powers and duties,
21 and be subject to the same conditions, restrictions,
22 limitations, penalties, exclusions, exemptions and definitions

23 of terms, and employ the same modes of procedure, as are
24 prescribed in Sections 1a-1, 2 (except that the reference to
25 State in the definition of supplier maintaining a place of
26 business in this State shall mean the territory of the

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1 commission), 2a, 3 through 3-50 (in respect to all provisions
2 therein other than the State rate of tax except that tangible
3 personal property taxed at the 1% rate under the Service
4 Occupation Tax Act shall not be subject to tax hereunder), 4
5 (except that the reference to the State shall be to the
6 territory of the commission), 5, 7, 8 (except that the
7 jurisdiction to which the tax shall be a debt to the extent
8 indicated in that Section 8 shall be the commission), 9
9 (except as to the disposition of taxes and penalties collected
10 and except that the returned merchandise credit for this tax
11 may not be taken against any State tax, and except that the
12 retailer's discount is not allowed for taxes paid on aviation
13 fuel sold on or after December 1, 2019 and through December 31,
14 2020), 10, 11, 12 (except the reference therein to Section 2b
15 of the Retailers' Occupation Tax Act), 13 (except that any
16 reference to the State shall mean the territory of the
17 commission), the first paragraph of Section 15, 15.5, 16, 17,
18 18, 19, and 20 of the Service Occupation Tax Act as fully as if
19 those provisions were set forth herein.

20 Persons subject to any tax imposed under the authority
21 granted in this paragraph may reimburse themselves for their
22 serviceman's tax liability hereunder by separately stating the
23 tax as an additional charge, which charge may be stated in
24 combination, in a single amount, with State tax that
25 servicemen are authorized to collect under the Service Use Tax
26 Act, and any tax for which servicemen may be liable under

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1 subsection (f) of Section 4.03 of the Northern Illinois
2 Transit Authority Act, in accordance with such bracket

3 schedules as the Department may prescribe.

4 Whenever the Department determines that a refund should be
5 made under this paragraph to a claimant instead of issuing a
6 credit memorandum, the Department shall notify the State
7 Comptroller, who shall cause the warrant to be drawn for the
8 amount specified, and to the person named, in the notification
9 from the Department. The refund shall be paid by the State
10 Treasurer out of a county water commission tax fund
11 established under subsection (g) of this Section.

12 Nothing in this paragraph shall be construed to authorize
13 a county water commission to impose a tax upon the privilege of
14 engaging in any business which under the Constitution of the
15 United States may not be made the subject of taxation by the
16 State.

17 (d) If a tax has been imposed under subsection (b), a tax
18 shall also be imposed upon the privilege of using, in the
19 territory of the commission, any item of tangible personal
20 property that is purchased outside the territory at retail
21 from a retailer, and that is titled or registered with an
22 agency of this State's government, at a rate of 1/4% of the
23 selling price of the tangible personal property within the
24 territory, as "selling price" is defined in the Use Tax Act.
25 The tax shall be collected from persons whose Illinois address
26 for titling or registration purposes is given as being in the

1 territory. The tax shall be collected by the Department of
2 Revenue for a county water commission. The tax must be paid to
3 the State, or an exemption determination must be obtained from
4 the Department of Revenue, before the title or certificate of
5 registration for the property may be issued. The tax or proof
6 of exemption may be transmitted to the Department by way of the
7 State agency with which, or the State officer with whom, the
8 tangible personal property must be titled or registered if the
9 Department and the State agency or State officer determine
10 that this procedure will expedite the processing of
11 applications for title or registration.

12 The Department shall have full power to administer and
13 enforce this paragraph; to collect all taxes, penalties, and
14 interest due hereunder; to dispose of taxes, penalties, and

15 interest so collected in the manner hereinafter provided; and
16 to determine all rights to credit memoranda or refunds arising
17 on account of the erroneous payment of tax, penalty, or
18 interest hereunder. In the administration of and compliance
19 with this paragraph, the Department and persons who are
20 subject to this paragraph shall have the same rights,
21 remedies, privileges, immunities, powers, and duties, and be
22 subject to the same conditions, restrictions, limitations,
23 penalties, exclusions, exemptions, and definitions of terms
24 and employ the same modes of procedure, as are prescribed in
25 Sections 2 (except the definition of "retailer maintaining a
26 place of business in this State"), 3 through 3-80 (except

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1 provisions pertaining to the State rate of tax, and except
2 provisions concerning collection or refunding of the tax by
3 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions
4 pertaining to claims by retailers and except the last
5 paragraph concerning refunds), 20, 21, and 22 of the Use Tax
6 Act and Section 3-7 of the Uniform Penalty and Interest Act
7 that are not inconsistent with this paragraph, as fully as if
8 those provisions were set forth herein.

9 Whenever the Department determines that a refund should be
10 made under this paragraph to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the order to be drawn for the
13 amount specified, and to the person named, in the notification
14 from the Department. The refund shall be paid by the State
15 Treasurer out of a county water commission tax fund
16 established under subsection (g) of this Section.

17 (e) A certificate of registration issued by the State
18 Department of Revenue to a retailer under the Retailers'
19 Occupation Tax Act or under the Service Occupation Tax Act
20 shall permit the registrant to engage in a business that is
21 taxed under the tax imposed under subsection (b), (c), or (d)
22 of this Section and no additional registration shall be
23 required under the tax. A certificate issued under the Use Tax
24 Act or the Service Use Tax Act shall be applicable with regard
25 to any tax imposed under subsection (c) of this Section.

26 (f) Any ordinance imposing or discontinuing any tax under

1 this Section shall be adopted and a certified copy thereof
2 filed with the Department on or before June 1, whereupon the
3 Department of Revenue shall proceed to administer and enforce
4 this Section on behalf of the county water commission as of
5 September 1 next following the adoption and filing. Beginning
6 January 1, 1992, an ordinance or resolution imposing or
7 discontinuing the tax hereunder shall be adopted and a
8 certified copy thereof filed with the Department on or before
9 the first day of July, whereupon the Department shall proceed
10 to administer and enforce this Section as of the first day of
11 October next following such adoption and filing. Beginning
12 January 1, 1993, an ordinance or resolution imposing or
13 discontinuing the tax hereunder shall be adopted and a
14 certified copy thereof filed with the Department on or before
15 the first day of October, whereupon the Department shall
16 proceed to administer and enforce this Section as of the first
17 day of January next following such adoption and filing.

18 (g) The State Department of Revenue shall, upon collecting
19 any taxes as provided in this Section, pay the taxes over to
20 the State Treasurer as trustee for the commission. The taxes
21 shall be held in a trust fund outside the State treasury.

22 As soon as possible after the first day of each month,
23 beginning January 1, 2011, upon certification of the
24 Department of Revenue, the Comptroller shall order
25 transferred, and the Treasurer shall transfer, to the STAR
26 Bonds Revenue Fund the local sales tax increment, as defined

1 in the Innovation Development and Economy Act, collected under
2 this Section during the second preceding calendar month for
3 sales within a STAR bond district.

4 After the monthly transfer to the STAR Bonds Revenue Fund,
5 on or before the 25th day of each calendar month, the State
6 Department of Revenue shall prepare and certify to the

7 Comptroller of the State of Illinois the amount to be paid to
8 the commission, which shall be the amount (not including
9 credit memoranda) collected under this Section during the
10 second preceding calendar month by the Department plus an
11 amount the Department determines is necessary to offset any
12 amounts that were erroneously paid to a different taxing body,
13 and not including any amount equal to the amount of refunds
14 made during the second preceding calendar month by the
15 Department on behalf of the commission, and not including any
16 amount that the Department determines is necessary to offset
17 any amounts that were payable to a different taxing body but
18 were erroneously paid to the commission, and less any amounts
19 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
20 of the remainder, which shall be transferred into the Tax
21 Compliance and Administration Fund. The Department, at the
22 time of each monthly disbursement to the commission, shall
23 prepare and certify to the State Comptroller the amount to be
24 transferred into the Tax Compliance and Administration Fund
25 under this subsection. Within 10 days after receipt by the
26 Comptroller of the certification of the amount to be paid to

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1 the commission and the Tax Compliance and Administration Fund,
2 the Comptroller shall cause an order to be drawn for the
3 payment for the amount in accordance with the direction in the
4 certification.

5 (h) Beginning June 1, 2016, any tax imposed pursuant to
6 this Section may no longer be imposed or collected, unless a
7 continuation of the tax is approved by the voters at a
8 referendum as set forth in this Section.

9 (Source: P.A. 104-457, eff. 6-1-26.)

10 Section 70-110. The Illinois Insurance Code is amended by
11 changing Section 414a as follows:

12 (215 ILCS 5/414a) (from Ch. 73, par. 1026a)

13 Sec. 414a. Notwithstanding the provisions of this or any
14 other Act, the tax authorized by Section 414 of this Act shall
15 not be imposed after January 1, 1979; provided that this
16 Section shall not prohibit the collection after January 1,

17 1979 of any taxes levied under Section 414 prior to January 1,
18 1979, on property subject to assessment and taxation under
19 Section 414 of this Act prior to January 1, 1979. For the
20 purpose of replacing the revenue lost by taxing districts, as
21 defined in Section 1-150 of the Property Tax Code, as a result
22 of the abolition of ad valorem taxes on personal property
23 after January 1, 1979, there shall be imposed the taxes
24 described in Section 201(c) and (d) of the Illinois Income Tax

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1 Act, ~~Section 2a.1 of the Messages Tax Act~~, Section 2a.1 of the
2 Gas Revenue Tax Act, Section 2a.1 of the Public Utilities
3 Revenue Act, and Section 1 of the Water Company Invested
4 Capital Tax Act. Such replacement taxes owed within one year
5 of the effective date of the taxes established by this
6 amendatory Act of 1979 shall replace the personal property tax
7 levies of 1979. The replacement taxes owed in each succeeding
8 year shall replace the personal property tax that could have
9 been levied in each succeeding year.
10 (Source: P.A. 88-670, eff. 12-2-94.)

11 Section 70-115. The Public Utilities Act is amended by
12 changing Section 9-222 as follows:

13 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

14 Sec. 9-222. Whenever a tax is imposed upon a public
15 utility engaged in the business of distributing, supplying,
16 furnishing, or selling gas for use or consumption pursuant to
17 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
18 required to be collected by a delivering supplier pursuant to
19 Section 2-7 of the Electricity Excise Tax Act, or whenever a
20 tax is imposed upon a public utility pursuant to Section 2-202
21 of this Act, such utility may charge its customers, other than
22 customers who are high impact businesses under Section 5.5 of
23 the Illinois Enterprise Zone Act, customers who are certified
24 under Section 95 of the Reimagining Energy and Vehicles in

1 Illinois Act, manufacturers under the Manufacturing Illinois
2 Chips for Real Opportunity (MICRO) Act, customers who are
3 tenants in a quantum computing campus under Section 605-1115
4 of the Department of Commerce and Economic Opportunity Law of
5 the Civil Administrative Code of Illinois, or certified
6 business enterprises under Section 9-222.1 of this Act, to the
7 extent of such exemption and during the period in which such
8 exemption is in effect, in addition to any rate authorized by
9 this Act, an additional charge equal to the total amount of
10 such taxes. The exemption of this Section relating to high
11 impact businesses shall be subject to the provisions of
12 subsections (a), (b), and (b-5) of Section 5.5 of the Illinois
13 Enterprise Zone Act. This requirement shall not apply to taxes
14 on invested capital imposed pursuant to ~~the Messages Tax Act,~~
15 the Gas Revenue Tax Act and the Public Utilities Revenue Act.
16 Such utility shall file with the Commission a supplemental
17 schedule which shall specify such additional charge and which
18 shall become effective upon filing without further notice.
19 Such additional charge shall be shown separately on the
20 utility bill to each customer. The Commission shall have the
21 power to investigate whether or not such supplemental schedule
22 correctly specifies such additional charge, but shall have no
23 power to suspend such supplemental schedule. If the Commission
24 finds, after a hearing, that such supplemental schedule does
25 not correctly specify such additional charge, it shall by
26 order require a refund to the appropriate customers of the

1 excess, if any, with interest, in such manner as it shall deem
2 just and reasonable, and in and by such order shall require the
3 utility to file an amended supplemental schedule corresponding
4 to the finding and order of the Commission. Except with
5 respect to taxes imposed on invested capital, such tax
6 liabilities shall be recovered from customers solely by means
7 of the additional charges authorized by this Section.
8 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
9 102-1125, eff. 2-3-23; 103-595, eff. 6-26-24.)

10 Section 70-120. The Illinois Pull Tabs and Jar Games Act
11 is amended by changing Section 5 as follows:

12 (230 ILCS 20/5) (from Ch. 120, par. 1055)

13 Sec. 5. Payments; returns. There shall be paid to the
14 Department of Revenue 5% of the gross proceeds of any pull tabs
15 and jar games conducted under this Act. Such payments shall be
16 made 4 times per year, between the first and the 20th day of
17 April, July, October and January. Accompanying each payment
18 shall be a return, on forms prescribed by the Department of
19 Revenue. Failure to submit either the payment or the return
20 within the specified time shall result in suspension or
21 revocation of the license. Tax returns filed pursuant to this
22 Act shall not be confidential and shall be available for
23 public inspection. All payments made to the Department of
24 Revenue under this Act shall be deposited as follows:

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1 (a) 50% shall be deposited in the Common School Fund;
2 and

3 (b) 50% shall be deposited in the Illinois Gaming Law
4 Enforcement Fund. Of the monies deposited in the Illinois
5 Gaming Law Enforcement Fund under this Section, the
6 General Assembly shall appropriate two-thirds to the
7 Department of Revenue, Illinois State Police and the
8 Office of the Attorney General for State law enforcement
9 purposes, and one-third shall be appropriated to the
10 Department of Revenue for the purpose of distribution in
11 the form of grants to counties or municipalities for law
12 enforcement purposes. The amounts of grants to counties or
13 municipalities shall bear the same ratio as the number of
14 licenses issued in counties or municipalities bears to the
15 total number of licenses issued in the State. In computing
16 the number of licenses issued in a county, licenses issued
17 for locations within a municipality's boundaries shall be
18 excluded.

19 The provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
20 5g, ~~5h~~, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11 and 12 of the
21 Retailers' Occupation Tax Act, and Section 3-7 of the Uniform
22 Penalty and Interest Act, which are not inconsistent with this

23 Act shall apply, as far as practicable, to the subject matter
24 of this Act to the same extent as if such provisions were
25 included in this Act. For the purposes of this Act, references
26 in such incorporated Sections of the Retailers' Occupation Tax

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1 Act to retailers, sellers or persons engaged in the business
2 of selling tangible personal property means persons engaged in
3 conducting pull tabs and jar games and references in such
4 incorporated Sections of the Retailers' Occupation Tax Act to
5 sales of tangible personal property mean the conducting of
6 pull tabs and jar games and the making of charges for
7 participating in such drawings.

8 If any payment provided for in this Section exceeds the
9 taxpayer's liabilities under this Act, as shown on an original
10 return, the taxpayer may credit such excess payment against
11 liability subsequently to be remitted to the Department under
12 this Act, in accordance with reasonable rules adopted by the
13 Department.

14 (Source: P.A. 102-538, eff. 8-20-21.)

15 Section 70-125. The Liquor Control Act of 1934 is amended
16 by changing Section 8-14 as follows:

17 (235 ILCS 5/8-14) (from Ch. 43, par. 165a)

18 Sec. 8-14. All of the provisions of Sections 5a, 5b, 5c,
19 5d, 5e, 5f, 5g, ~~5h~~, 5i and 5j of the Retailers' Occupation Tax
20 Act and Section 3-7 of the Uniform Penalty and Interest Act,
21 are by reference incorporated in and made a part of this
22 Article VIII as fully as though written herein; provided that
23 wherever in those Sections of the Retailers' Occupation Tax
24 Act, reference is made to a "retailer" such reference shall,

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1 for the purposes of this Article, be deemed to refer to a
2 licensee under this Act.

3 (Source: P.A. 87-205.)

4 Section 70-130. The Cannabis Regulation and Tax Act is
5 amended by changing Section 65-40 as follows:

6 (410 ILCS 705/65-40)

7 Sec. 65-40. Department administration and enforcement. The
8 Department shall have full power to administer and enforce
9 this Article, to collect all taxes and penalties due
10 hereunder, to dispose of taxes and penalties so collected in
11 the manner hereinafter provided, and to determine all rights
12 to credit memoranda, arising on account of the erroneous
13 payment of tax or penalty hereunder.

14 In the administration of, and compliance with, this
15 Article, the Department and persons who are subject to this
16 Article shall have the same rights, remedies, privileges,
17 immunities, powers, and duties, and be subject to the same
18 conditions, restrictions, limitations, penalties, and
19 definitions of terms, and employ the same modes of procedure,
20 as are prescribed in Sections 2, 3-55, 3a, 4, 5, 7, 10a, 11,
21 12a, 12b, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and
22 Sections 1, 2-12, 2b, 4 (except that the time limitation
23 provisions shall run from the date when the tax is due rather
24 than from the date when gross receipts are received), 5

1 (except that the time limitation provisions on the issuance of
2 notices of tax liability shall run from the date when the tax
3 is due rather than from the date when gross receipts are
4 received and except that in the case of a failure to file a
5 return required by this Act, no notice of tax liability shall
6 be issued on and after each July 1 and January 1 covering tax
7 due with that return during any month or period more than 6
8 years before that July 1 or January 1, respectively), 5a, 5b,
9 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5j, 6d, 7, 8, 9, 10, 11, and 12 of the
10 Retailers' Occupation Tax Act and all of the provisions of the
11 Uniform Penalty and Interest Act, which are not inconsistent
12 with this Article, as fully as if those provisions were set
13 forth herein. References in the incorporated Sections of the
14 Retailers' Occupation Tax Act and the Use Tax Act to

15 retailers, to sellers, or to persons engaged in the business
16 of selling tangible personal property mean cannabis retailers
17 when used in this Article. References in the incorporated
18 Sections to sales of tangible personal property mean sales of
19 cannabis subject to tax under this Article when used in this
20 Article.

21 (Source: P.A. 101-27, eff. 6-25-19.)

22 Section 70-135. The Illinois Vehicle Code is amended by
23 changing Section 3-1001 as follows:

24 (625 ILCS 5/3-1001) (from Ch. 95 1/2, par. 3-1001)

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1 Sec. 3-1001. A tax is hereby imposed on the privilege of
2 using, in this State, any motor vehicle as defined in Section
3 1-146 of this Code acquired by gift, transfer, or purchase,
4 and having a year model designation preceding the year of
5 application for title by 5 or fewer years prior to October 1,
6 1985 and 10 or fewer years on and after October 1, 1985 and
7 prior to January 1, 1988. On and after January 1, 1988, the tax
8 shall apply to all motor vehicles without regard to model
9 year. Except that the tax shall not apply:

10 (i) if the use of the motor vehicle is otherwise taxed
11 under the Use Tax Act;

12 (ii) if the use of the motor vehicle is not subject to
13 the Use Tax Act by reason of Section 3-5 of that Act bought
14 ~~and used by a governmental agency or a society,~~
15 ~~association, foundation or institution organized and~~
16 ~~operated exclusively for charitable, religious or~~
17 ~~educational purposes;~~

18 (iii) if the use of the motor vehicle is not subject to
19 the Use Tax Act by reason of subsection (a), (b), (c), (d),
20 (e) or (f) of Section 3-55 of that Act dealing with the
21 prevention of actual or likely multistate taxation;

22 (iv) to implements of husbandry;

23 (v) when a junking certificate is issued pursuant to
24 Section 3-117(a) of this Code;

25 (vi) when a vehicle is subject to the replacement
26 vehicle tax imposed by Section 3-2001 of this Act;

(vii) when the transfer is a gift to a beneficiary in the administration of an estate and the beneficiary is a surviving spouse;

(viii) if the motor vehicle is purchased for the purpose of resale by a retailer registered under Section 2a of the Retailers' Occupation Tax Act.

Prior to January 1, 1988, the rate of tax shall be 5% of the selling price for each purchase of a motor vehicle covered by Section 3-1001 of this Code. Except as hereinafter provided, beginning January 1, 1988 and until January 1, 2022, the rate of tax shall be as follows for transactions in which the selling price of the motor vehicle is less than \$15,000:

Number of Years Transpired After Model Year of Motor Vehicle	Applicable Tax
1 or less	\$390
2	290
3	215
4	165
5	115
6	90
7	80
8	65
9	50
10	40
over 10	25

Except as hereinafter provided, beginning January 1, 1988 and

until January 1, 2022, the rate of tax shall be as follows for transactions in which the selling price of the motor vehicle is \$15,000 or more:

4	Selling Price	Applicable Tax
5	\$15,000 – \$19,999	\$ 750
6	\$20,000 – \$24,999	\$1,000
7	\$25,000 – \$29,999	\$1,250
8	\$30,000 and over	\$1,500

9 Except as hereinafter provided, beginning on January 1,
10 2022, the rate of tax shall be as follows for transactions in
11 which the selling price of the motor vehicle is less than
12 \$15,000:

13 (1) if one year or less has transpired after the model
14 year of the vehicle, then the applicable tax is \$465;

15 (2) if 2 years have transpired after the model year of
16 the motor vehicle, then the applicable tax is \$365;

17 (3) if 3 years have transpired after the model year of
18 the motor vehicle, then the applicable tax is \$290;

19 (4) if 4 years have transpired after the model year of
20 the motor vehicle, then the applicable tax is \$240;

21 (5) if 5 years have transpired after the model year of
22 the motor vehicle, then the applicable tax is \$190;

23 (6) if 6 years have transpired after the model year of
24 the motor vehicle, then the applicable tax is \$165;

25 (7) if 7 years have transpired after the model year of
26 the motor vehicle, then the applicable tax is \$155;

1 (8) if 8 years have transpired after the model year of
2 the motor vehicle, then the applicable tax is \$140;

3 (9) if 9 years have transpired after the model year of
4 the motor vehicle, then the applicable tax is \$125;

5 (10) if 10 years have transpired after the model year
6 of the motor vehicle, then the applicable tax is \$115; and

7 (11) if more than 10 years have transpired after the
8 model year of the motor vehicle, then the applicable tax
9 is \$100.

10 Except as hereinafter provided, beginning on January 1,
11 2022, the rate of tax shall be as follows for transactions in
12 which the selling price of the motor vehicle is \$15,000 or
13 more:

14 (1) if the selling price is \$15,000 or more, but less

15 than \$20,000, then the applicable tax shall be \$850;
16 (2) if the selling price is \$20,000 or more, but less
17 than \$25,000, then the applicable tax shall be \$1,100;
18 (3) if the selling price is \$25,000 or more, but less
19 than \$30,000, then the applicable tax shall be \$1,350;
20 (4) if the selling price is \$30,000 or more, but less
21 than \$50,000, then the applicable tax shall be \$1,600;
22 (5) if the selling price is \$50,000 or more, but less
23 than \$100,000, then the applicable tax shall be \$2,600;
24 (6) if the selling price is \$100,000 or more, but less
25 than \$1,000,000, then the applicable tax shall be \$5,100;
26 and

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1 (7) if the selling price is \$1,000,000 or more, then
2 the applicable tax shall be \$10,100.
3 For the following transactions, the tax rate shall be \$15 for
4 each motor vehicle acquired in such transaction:
5 (i) when the transferee or purchaser is the spouse,
6 mother, father, brother, sister or child of the
7 transferor;
8 (ii) when the transfer is a gift to a beneficiary in
9 the administration of an estate, including, but not
10 limited to, the administration of an inter vivos trust
11 that became irrevocable upon the death of a grantor, and
12 the beneficiary is not a surviving spouse;
13 (iii) when a motor vehicle which has once been
14 subjected to the Illinois retailers' occupation tax or use
15 tax is transferred in connection with the organization,
16 reorganization, dissolution or partial liquidation of an
17 incorporated or unincorporated business wherein the
18 beneficial ownership is not changed.
19 A claim that the transaction is taxable under subparagraph
20 (i) shall be supported by such proof of family relationship as
21 provided by rules of the Department.
22 For a transaction in which a motorcycle, motor driven
23 cycle or moped is acquired the tax rate shall be \$25.
24 On and after October 1, 1985 and until January 1, 2022,
25 1/12 of \$5,000,000 of the moneys received by the Department of
26 Revenue pursuant to this Section shall be paid each month into

1 the Build Illinois Fund; on and after January 1, 2022, 1/12 of
2 \$40,000,000 of the moneys received by the Department of
3 Revenue pursuant to this Section shall be paid each month into
4 the Build Illinois Fund; and the remainder shall be paid into
5 the General Revenue Fund.

6 The tax imposed by this Section shall be abated and no
7 longer imposed when the amount deposited to secure the bonds
8 issued pursuant to the Build Illinois Bond Act is sufficient
9 to provide for the payment of the principal of, and interest
10 and premium, if any, on the bonds, as certified to the State
11 Comptroller and the Director of Revenue by the Director of the
12 Governor's Office of Management and Budget.

13 (Source: P.A. 104-6, eff. 6-16-25.)

ARTICLE 75

14

15 Section 75-5. The Retailers' Occupation Tax Act is amended
16 by changing Sections 2a and 2b as follows:

17 (35 ILCS 120/2a) (from Ch. 120, par. 441a)

18 Sec. 2a. Registration of retailers. It is unlawful for any
19 person to engage in the business of selling, which, on and
20 after January 1, 2025, includes leasing, tangible personal
21 property at retail in this State without a certificate of
22 registration from the Department. Application for a
23 certificate of registration shall be made to the Department

1 upon forms furnished by it. Each such application shall be
2 signed and verified and shall state: (1) the name and social
3 security number of the applicant; (2) the address of his
4 principal place of business; (3) the address of the principal
5 place of business from which he engages in the business of

6 selling tangible personal property at retail in this State and
7 the addresses of all other places of business, if any
8 (enumerating such addresses, if any, in a separate list
9 attached to and made a part of the application), from which he
10 engages in the business of selling tangible personal property
11 at retail in this State; (4) the name and address of the person
12 or persons who will be responsible for filing returns and
13 payment of taxes due under this Act; (5) in the case of a
14 publicly traded corporation, the name and title of the Chief
15 Financial Officer, Chief Operating Officer, and any other
16 officer or employee with responsibility for preparing tax
17 returns under this Act, and, in the case of all other
18 corporations, the name, title, and social security number of
19 each corporate officer; (6) in the case of a limited liability
20 company, the name, social security number, and FEIN number of
21 each manager and member; and (7) such other information as the
22 Department may reasonably require. The application shall
23 contain an acceptance of responsibility signed by the person
24 or persons who will be responsible for filing returns and
25 payment of the taxes due under this Act. If the applicant will
26 sell tangible personal property at retail through vending

1 machines, his application to register shall indicate the
2 number of vending machines to be so operated. If requested by
3 the Department at any time, that person shall verify the total
4 number of vending machines he or she uses in his or her
5 business of selling tangible personal property at retail.

6 The Department shall provide by rule for an expedited
7 business registration process for remote retailers required to
8 register and file under subsection (b) of Section 2 who use a
9 certified service provider to file their returns under this
10 Act. Such expedited registration process shall allow the
11 Department to register a taxpayer based upon the same
12 registration information required by the Streamlined Sales Tax
13 Governing Board for states participating in the Streamlined
14 Sales Tax Project.

15 The Department may deny a certificate of registration to
16 any applicant if a person who is named as the owner, a partner,
17 a manager or member of a limited liability company, or a

18 corporate officer of the applicant on the application for the
19 certificate of registration is or has been named as the owner,
20 a partner, a manager or member of a limited liability company,
21 or a corporate officer on the application for the certificate
22 of registration of another retailer that (i) is in default for
23 moneys due under this Act or any other tax or fee Act
24 administered by the Department or (ii) fails to file any
25 return, on or before the due date prescribed for filing that
26 return (including any extensions of time granted by the

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1 Department), that the retailer is required to file under this
2 Act or any other tax or fee Act administered by the Department.
3 For purposes of this paragraph only, in determining whether a
4 person is in default for moneys due, the Department shall
5 include only amounts established as a final liability within
6 the 23 years prior to the date of the Department's notice of
7 denial of a certificate of registration.

8 The Department may require an applicant for a certificate
9 of registration hereunder to, at the time of filing such
10 application, furnish a bond from a surety company authorized
11 to do business in the State of Illinois, or an irrevocable bank
12 letter of credit or a bond signed by 2 personal sureties who
13 have filed, with the Department, sworn statements disclosing
14 net assets equal to at least 3 times the amount of the bond to
15 be required of such applicant, or a bond secured by an
16 assignment of a bank account or certificate of deposit, stocks
17 or bonds, conditioned upon the applicant paying to the State
18 of Illinois all moneys becoming due under this Act and under
19 any other State tax law or municipal or county tax ordinance or
20 resolution under which the certificate of registration that is
21 issued to the applicant under this Act will permit the
22 applicant to engage in business without registering separately
23 under such other law, ordinance or resolution. In making a
24 determination as to whether to require a bond or other
25 security, the Department shall take into consideration whether
26 the owner, any partner, any manager or member of a limited

1 liability company, or a corporate officer of the applicant is
2 or has been the owner, a partner, a manager or member of a
3 limited liability company, or a corporate officer of another
4 retailer that is in default for moneys due under this Act or
5 any other tax or fee Act administered by the Department; and
6 whether the owner, any partner, any manager or member of a
7 limited liability company, or a corporate officer of the
8 applicant is or has been the owner, a partner, a manager or
9 member of a limited liability company, or a corporate officer
10 of another retailer whose certificate of registration has been
11 revoked within the previous 5 years under this Act or any other
12 tax or fee Act administered by the Department. If a bond or
13 other security is required, the Department shall fix the
14 amount of the bond or other security, taking into
15 consideration the amount of money expected to become due from
16 the applicant under this Act and under any other State tax law
17 or municipal or county tax ordinance or resolution under which
18 the certificate of registration that is issued to the
19 applicant under this Act will permit the applicant to engage
20 in business without registering separately under such other
21 law, ordinance, or resolution. The amount of security required
22 by the Department shall be such as, in its opinion, will
23 protect the State of Illinois against failure to pay the
24 amount which may become due from the applicant under this Act
25 and under any other State tax law or municipal or county tax
26 ordinance or resolution under which the certificate of

1 registration that is issued to the applicant under this Act
2 will permit the applicant to engage in business without
3 registering separately under such other law, ordinance or
4 resolution, but the amount of the security required by the
5 Department shall not exceed three times the amount of the
6 applicant's average monthly tax liability, or \$50,000.00,

7 whichever amount is lower.

8 No certificate of registration under this Act shall be
9 issued by the Department until the applicant provides the
10 Department with satisfactory security, if required, as herein
11 provided for.

12 Upon receipt of the application for certificate of
13 registration in proper form, and upon approval by the
14 Department of the security furnished by the applicant, if
15 required, the Department shall issue to such applicant, in the
16 manner and form determined by the Department, a certificate of
17 registration which shall permit the person to whom it is
18 issued to engage in the business of selling tangible personal
19 property at retail in this State. The certificate of
20 registration shall be conspicuously displayed, in the manner
21 and form as the Department may require by rule, at the place of
22 business which the person so registered states in his
23 application to be the principal place of business from which
24 he engages in the business of selling tangible personal
25 property at retail in this State.

26 No certificate of registration issued prior to July 1,

1 2017 to a taxpayer who files returns required by this Act on a
2 monthly basis or renewed prior to July 1, 2017 by a taxpayer
3 who files returns required by this Act on a monthly basis shall
4 be valid after the expiration of 5 years from the date of its
5 issuance or last renewal. No certificate of registration
6 issued on or after July 1, 2017 to a taxpayer who files returns
7 required by this Act on a monthly basis or renewed on or after
8 July 1, 2017 by a taxpayer who files returns required by this
9 Act on a monthly basis shall be valid after the expiration of
10 one year from the date of its issuance or last renewal. The
11 expiration date of a sub-certificate of registration shall be
12 that of the certificate of registration to which the
13 sub-certificate relates. Prior to July 1, 2017, a certificate
14 of registration shall automatically be renewed, subject to
15 revocation as provided by this Act, for an additional 5 years
16 from the date of its expiration unless otherwise notified by
17 the Department as provided by this paragraph. On and after
18 July 1, 2017, a certificate of registration shall

19 automatically be renewed, subject to revocation as provided by
20 this Act, for an additional one year from the date of its
21 expiration unless otherwise notified by the Department as
22 provided by this paragraph.

23 Where a taxpayer to whom a certificate of registration is
24 issued under this Act is in default to the State of Illinois
25 for delinquent returns or for moneys due under this Act or any
26 other State tax law or municipal or county ordinance

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1 administered or enforced by the Department, the Department
2 shall, not less than 60 days before the expiration date of such
3 certificate of registration, give notice to the taxpayer to
4 whom the certificate was issued of the account period of the
5 delinquent returns, the amount of tax, penalty and interest
6 due and owing from the taxpayer, and that the certificate of
7 registration shall not be automatically renewed upon its
8 expiration date unless the taxpayer, on or before the date of
9 expiration, has filed and paid the delinquent returns or paid
10 the defaulted amount in full. A taxpayer to whom such a notice
11 is issued shall be deemed an applicant for renewal. The
12 Department shall promulgate regulations establishing
13 procedures for taxpayers who file returns on a monthly basis
14 but desire and qualify to change to a quarterly or yearly
15 filing basis and will no longer be subject to renewal under
16 this Section, and for taxpayers who file returns on a yearly or
17 quarterly basis but who desire or are required to change to a
18 monthly filing basis and will be subject to renewal under this
19 Section.

20 The Department may in its discretion approve renewal by an
21 applicant who is in default if, at the time of application for
22 renewal, the applicant files all of the delinquent returns or
23 pays to the Department such percentage of the defaulted amount
24 as may be determined by the Department and agrees in writing to
25 waive all limitations upon the Department for collection of
26 the remaining defaulted amount to the Department over a period

1 not to exceed 5 years from the date of renewal of the
2 certificate; however, no renewal application submitted by an
3 applicant who is in default shall be approved if the
4 immediately preceding renewal by the applicant was conditioned
5 upon the installment payment agreement described in this
6 Section. The payment agreement herein provided for shall be in
7 addition to and not in lieu of the security that may be
8 required by this Section of a taxpayer who is no longer
9 considered a prior continuous compliance taxpayer. The
10 execution of the payment agreement as provided in this Act
11 shall not toll the accrual of interest at the statutory rate.

12 The Department may suspend a certificate of registration
13 if the Department finds that the person to whom the
14 certificate of registration has been issued knowingly sold
15 contraband cigarettes.

16 A certificate of registration issued under this Act more
17 than 5 years before January 1, 1990 (the effective date of
18 Public Act 86-383) shall expire and be subject to the renewal
19 provisions of this Section on the next anniversary of the date
20 of issuance of such certificate which occurs more than 6
21 months after January 1, 1990 (the effective date of Public Act
22 86-383). A certificate of registration issued less than 5
23 years before January 1, 1990 (the effective date of Public Act
24 86-383) shall expire and be subject to the renewal provisions
25 of this Section on the 5th anniversary of the issuance of the
26 certificate.

1 If a person who is licensed as a retailer of alcoholic
2 liquor under the Liquor Control Act of 1934 has had the renewal
3 of his or her certificate of registration denied under this
4 Section 2a, then, pursuant to Section 7-6.5 of the Liquor
5 Control Act of 1934, the Department shall file a notice with
6 the Liquor Control Commission that includes a certification,
7 signed by the Director of Revenue or his or her designee,
8 attesting that the person's certificate of registration
9 renewal has been denied after notice and an opportunity to be
10 heard.

11 If the person so registered states that he operates other
12 places of business from which he engages in the business of
13 selling tangible personal property at retail in this State,
14 the Department shall furnish him with a sub-certificate of
15 registration for each such place of business, and the
16 applicant shall display the appropriate sub-certificate of
17 registration at each such place of business. All
18 sub-certificates of registration shall bear the same
19 registration number as that appearing upon the certificate of
20 registration to which such sub-certificates relate.

21 If the applicant will sell tangible personal property at
22 retail through vending machines, the Department shall furnish
23 him with a sub-certificate of registration for each such
24 vending machine, and the applicant shall display the
25 appropriate sub-certificate of registration on each such
26 vending machine by attaching the sub-certificate of

1 registration to a conspicuous part of such vending machine. If
2 a person who is registered to sell tangible personal property
3 at retail through vending machines adds an additional vending
4 machine or additional vending machines to the number of
5 vending machines he or she uses in his or her business of
6 selling tangible personal property at retail, he or she shall
7 notify the Department, on a form prescribed by the Department,
8 to request an additional sub-certificate or additional
9 sub-certificates of registration, as applicable. With each
10 such request, the applicant shall report the number of
11 sub-certificates of registration he or she is requesting as
12 well as the total number of vending machines from which he or
13 she makes retail sales.

14 Where the same person engages in 2 or more businesses of
15 selling tangible personal property at retail in this State,
16 which businesses are substantially different in character or
17 engaged in under different trade names or engaged in under
18 other substantially dissimilar circumstances (so that it is
19 more practicable, from an accounting, auditing or bookkeeping
20 standpoint, for such businesses to be separately registered),
21 the Department may require or permit such person (subject to
22 the same requirements concerning the furnishing of security as

23 those that are provided for hereinbefore in this Section as to
24 each application for a certificate of registration) to apply
25 for and obtain a separate certificate of registration for each
26 such business or for any of such businesses, under a single

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1 certificate of registration supplemented by related
2 sub-certificates of registration.

3 Any person who is registered under the Retailers'
4 Occupation Tax Act as of March 8, 1963, and who, during the
5 3-year period immediately prior to March 8, 1963, or during a
6 continuous 3-year period part of which passed immediately
7 before and the remainder of which passes immediately after
8 March 8, 1963, has been so registered continuously and who is
9 determined by the Department not to have been either
10 delinquent or deficient in the payment of tax liability during
11 that period under this Act or under any other State tax law or
12 municipal or county tax ordinance or resolution under which
13 the certificate of registration that is issued to the
14 registrant under this Act will permit the registrant to engage
15 in business without registering separately under such other
16 law, ordinance or resolution, shall be considered to be a
17 Prior Continuous Compliance taxpayer. Also any taxpayer who
18 has, as verified by the Department, faithfully and
19 continuously complied with the condition of his bond or other
20 security under the provisions of this Act for a period of 3
21 consecutive years shall be considered to be a Prior Continuous
22 Compliance taxpayer.

23 Every Prior Continuous Compliance taxpayer shall be exempt
24 from all requirements under this Act concerning the furnishing
25 of a bond or other security as a condition precedent to his
26 being authorized to engage in the business of selling tangible

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1 personal property at retail in this State. This exemption
2 shall continue for each such taxpayer until such time as he may

3 be determined by the Department to be delinquent in the filing
4 of any returns, or is determined by the Department (either
5 through the Department's issuance of a final assessment which
6 has become final under the Act, or by the taxpayer's filing of
7 a return which admits tax that is not paid to be due) to be
8 delinquent or deficient in the paying of any tax under this Act
9 or under any other State tax law or municipal or county tax
10 ordinance or resolution under which the certificate of
11 registration that is issued to the registrant under this Act
12 will permit the registrant to engage in business without
13 registering separately under such other law, ordinance or
14 resolution, at which time that taxpayer shall become subject
15 to all the financial responsibility requirements of this Act
16 and, as a condition of being allowed to continue to engage in
17 the business of selling tangible personal property at retail,
18 may be required to post bond or other acceptable security with
19 the Department covering liability which such taxpayer may
20 thereafter incur. Any taxpayer who fails to pay an admitted or
21 established liability under this Act may also be required to
22 post bond or other acceptable security with this Department
23 guaranteeing the payment of such admitted or established
24 liability.

25 No certificate of registration shall be issued to any
26 person who is in default to the State of Illinois for moneys

1 due under this Act or under any other State tax law or
2 municipal or county tax ordinance or resolution under which
3 the certificate of registration that is issued to the
4 applicant under this Act will permit the applicant to engage
5 in business without registering separately under such other
6 law, ordinance or resolution.

7 Any person aggrieved by any decision of the Department
8 under this Section may, within 20 days after notice of such
9 decision, protest and request a hearing, whereupon the
10 Department shall give notice to such person of the time and
11 place fixed for such hearing and shall hold a hearing in
12 conformity with the provisions of this Act and then issue its
13 final administrative decision in the matter to such person. In
14 the absence of such a protest within 20 days, the Department's

15 decision shall become final without any further determination
16 being made or notice given.

17 With respect to security other than bonds (upon which the
18 Department may sue in the event of a forfeiture), if the
19 taxpayer fails to pay, when due, any amount whose payment such
20 security guarantees, the Department shall, after such
21 liability is admitted by the taxpayer or established by the
22 Department through the issuance of a final assessment that has
23 become final under the law, convert the security which that
24 taxpayer has furnished into money for the State, after first
25 giving the taxpayer at least 10 days' written notice, by
26 registered or certified mail, to pay the liability or forfeit

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1 such security to the Department. If the security consists of
2 stocks or bonds or other securities which are listed on a
3 public exchange, the Department shall sell such securities
4 through such public exchange. If the security consists of an
5 irrevocable bank letter of credit, the Department shall
6 convert the security in the manner provided for in the Uniform
7 Commercial Code. If the security consists of a bank
8 certificate of deposit, the Department shall convert the
9 security into money by demanding and collecting the amount of
10 such bank certificate of deposit from the bank which issued
11 such certificate. If the security consists of a type of stocks
12 or other securities which are not listed on a public exchange,
13 the Department shall sell such security to the highest and
14 best bidder after giving at least 10 days' notice of the date,
15 time and place of the intended sale by publication in the
16 "State Official Newspaper". If the Department realizes more
17 than the amount of such liability from the security, plus the
18 expenses incurred by the Department in converting the security
19 into money, the Department shall pay such excess to the
20 taxpayer who furnished such security, and the balance shall be
21 paid into the State Treasury.

22 The Department shall discharge any surety and shall
23 release and return any security deposited, assigned, pledged
24 or otherwise provided to it by a taxpayer under this Section
25 within 30 days after:

26 (1) such taxpayer becomes a Prior Continuous

1 Compliance taxpayer; or

2 (2) such taxpayer has ceased to collect receipts on
3 which he is required to remit tax to the Department, has
4 filed a final tax return, and has paid to the Department an
5 amount sufficient to discharge his remaining tax
6 liability, as determined by the Department, under this Act
7 and under every other State tax law or municipal or county
8 tax ordinance or resolution under which the certificate of
9 registration issued under this Act permits the registrant
10 to engage in business without registering separately under
11 such other law, ordinance or resolution. The Department
12 shall make a final determination of the taxpayer's
13 outstanding tax liability as expeditiously as possible
14 after his final tax return has been filed; if the
15 Department cannot make such final determination within 45
16 days after receiving the final tax return, within such
17 period it shall so notify the taxpayer, stating its
18 reasons therefor.

19 (Source: P.A. 103-319, eff. 1-1-24; 103-592, eff. 1-1-25;
20 104-6, eff. 6-16-25.)

21 (35 ILCS 120/2b) (from Ch. 120, par. 441b)

22 Sec. 2b. The Department may, after notice and a hearing as
23 provided herein, revoke the certificate of registration of any
24 person who violates any of the provisions of this Act. Before
25 revocation of a certificate of registration the Department

1 shall, within 90 days after non-compliance and at least 7 days
2 prior to the date of the hearing, give the person so accused
3 notice in writing of the charge against him or her, and on the
4 date designated shall conduct a hearing upon this matter. The
5 lapse of such 90 day period shall not preclude the Department
6 from conducting revocation proceedings at a later date if

7 necessary. Any hearing held under this Section shall be
8 conducted by the Director of Revenue or by any officer or
9 employee of the Department designated, in writing, by the
10 Director of Revenue.

11 Upon the hearing of any such proceeding, the Director of
12 Revenue, or any officer or employee of the Department
13 designated, in writing, by the Director of Revenue, may
14 administer oaths and the Department may procure by its
15 subpoena the attendance of witnesses and, by its subpoena
16 duces tecum, the production of relevant books and papers. Any
17 circuit court, upon application either of the accused or of
18 the Department, may, by order duly entered, require the
19 attendance of witnesses and the production of relevant books
20 and papers, before the Department in any hearing relating to
21 the revocation of certificates of registration. Upon refusal
22 or neglect to obey the order of the court, the court may compel
23 obedience thereof by proceedings for contempt.

24 The Department may, by application to any circuit court,
25 obtain an injunction restraining any person who engages in the
26 business of selling tangible personal property at retail in

1 this State without a certificate of registration (either
2 because the certificate of registration has been revoked or
3 because of a failure to obtain a certificate of registration
4 in the first instance) from engaging in such business until
5 such person, as if he or she were a new applicant for a
6 certificate of registration, shall comply with all of the
7 conditions, restrictions and requirements of Section 2a of
8 this Act and qualify for and obtain a certificate of
9 registration. Upon refusal or neglect to obey the order of the
10 court, the court may compel obedience thereof by proceedings
11 for contempt.

12 It shall not be a defense in a proceeding before the
13 Department to revoke a certificate of registration issued
14 under the Act, or in any action by the Department to collect
15 any tax due under this Act, that the holder of the certificate
16 is a party to an installment payment agreement under Section
17 2a of this Act if the liability which is the basis of the
18 revocation proceeding, or the tax that is sought to be

19 collected: (1) was incurred after the date of the agreement
20 was approved by the Department; or (2) was incurred prior to
21 the date the agreement was approved by the Department, but was
22 not included in the agreement; or (3) was included in the
23 agreement, but the taxpayer is in default of the agreement.

24 If a person who is licensed as a retailer of alcoholic
25 liquor under the Liquor Control Act of 1934 has had his or her
26 certificate of registration revoked under this Section 2b,

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1 then, pursuant to Section 7-6.5 of the Liquor Control Act of
2 1934, the Department shall file a notice with the Liquor
3 Control Commission that includes a certification, signed by
4 its Director of Revenue or his or her designee, attesting that
5 the person's certificate of registration has been revoked,
6 after notice and an opportunity to be heard.

7 (Source: P.A. 86-338; 86-383; 86-1028.)

8 Section 75-10. The Liquor Control Act of 1934 is amended
9 by adding Sections 1-3.49 and 7-6.5 as follows:

10 (235 ILCS 5/1-3.49 new)

11 Sec. 1-3.49. Inactive license. "Inactive license" means a
12 status of licensure in which the licensee holds a current
13 license under this Act, but the licensee is prohibited from
14 engaging in all licensed activities because the licensee does
15 not hold an active certificate of registration issued by the
16 Department of Revenue pursuant to the Retailers' Occupation
17 Tax Act.

18 (235 ILCS 5/7-6.5 new)

19 Sec. 7-6.5. Inactive licenses; certificate of
20 registration. Notwithstanding anything in this Act to the
21 contrary, the Commission shall inactivate the license of any
22 licensee authorized to sell alcoholic liquor at retail if that
23 person's certificate of registration renewal has been denied

1 by the Department of Revenue pursuant to Section 2a of the
2 Retailers' Occupation Tax Act or that person's certificate of
3 registration has been revoked by the Department of Revenue
4 pursuant to Section 2b of the Retailers' Occupation Tax Act
5 until the violation resulting in the nonrenewal or revocation
6 has been remedied and the certificate of registration has been
7 reinstated by the Department of Revenue. The Department of
8 Revenue shall file a notice with the Commission that includes
9 a certification, signed by Director of Revenue or his or her
10 designee, attesting that the person's certificate of
11 registration renewal has been denied or the person's
12 certificate of registration has been revoked after notice and
13 an opportunity to be heard.

14 If a person who is licensed as a retailer of alcoholic
15 liquor under this Act has had the renewal of his or her
16 certificate of registration denied under Section 2a or revoked
17 under Section 2b of the Retailers' Occupation Tax Act, then,
18 pursuant to this Section, distributors licensed under this Act
19 are prohibited from selling alcoholic liquor to that retailer,
20 that retailer is prohibited from purchasing alcoholic liquor
21 from distributors, and all other licensed activities are
22 prohibited pending notification by the Department of Revenue
23 that the nonrenewal or revocation has been resolved to the
24 Department of Revenue's satisfaction.

ARTICLE 80

25

1 Section 80-5. The Cigarette Machine Operators' Occupation
2 Tax Act is amended by changing Sections 1-15, 1-20, 1-40, and
3 1-105 as follows:

4 (35 ILCS 128/1-15)

5 Sec. 1-15. Cigarette machine operator license. No person
6 may engage in the business of operating a cigarette machine in
7 this State on or after August 1, 2012 without first having

8 obtained a license from the Department. Application for a
9 license shall be made to the Department, by electronic means,
10 in on a form furnished and prescribed by the Department. Each
11 applicant for a license under this Section shall furnish ~~the~~
12 ~~following information~~ to the Department in on a form signed
13 and verified by the applicant under penalty of perjury, in an
14 electronic format established by the Department, the
15 following:

16 (1) a statement that the applicant will fully comply
17 with the Tobacco Products Manufacturers' Escrow
18 Enforcement Act of 2003; and

19 (2) the following information:

20 (A) the name and address of the applicant;

21 (B) ~~(2)~~ the address of the location at which the
22 applicant proposes to engage in the business of
23 operating a cigarette machine in this State; and

24 (C) ~~(3)~~ any other additional information the

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1 Department may reasonably require by its rules.

2 The ~~annual~~ license fee payable to the Department for the
3 initial and each renewal cigarette machine operator license is
4 \$250. Each applicant for a license shall pay that fee to the
5 Department at the time of submitting an application for
6 license to the Department.

7 Through June 30, 2027, every ~~Every~~ applicant who is
8 required to procure a cigarette machine operator license shall
9 file with his or her application a joint and several bond. Such
10 bond shall be executed to the Department of Revenue, with good
11 and sufficient surety or sureties residing or licensed to do
12 business within the State of Illinois, in the amount of
13 \$2,500, conditioned upon the true and faithful compliance by
14 the licensee with all of the provisions of this Act. Such bond,
15 or a reissue thereof, or a substitute therefor ~~therefore~~,
16 shall be kept in effect during the entire period covered by the
17 license. On and after July 1, 2027, applicants are no longer
18 required to file a bond with their application. The Department
19 shall discharge any surety and shall release and return any
20 bond provided to it by a taxpayer under this Section within 90
21 days after July 1, 2027, provided that the taxpayer is not

22 delinquent or deficient in the payment of tax liability.

23 A separate application for license shall be made and , a
24 separate ~~annual~~ license fee paid, ~~and a separate bond filed,~~
25 for each place of business at which a person who is required to
26 procure a cigarette machine operator license under this

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1 Section proposes to engage in business as a cigarette machine
2 operator in Illinois under this Act.

3 The following are ineligible to receive a cigarette
4 machine operator license under this Act:

5 (1) a person who is not of good character and
6 reputation in the community in which the person he
7 resides; the Department may consider prior conviction of a
8 felony, but, except as provided in paragraph (2), the
9 conviction shall not operate as an absolute bar to
10 licensure;

11 (2) a person who has been convicted of a felony under
12 any federal or State law, if the Department, after
13 investigation and consideration of any mitigating factors
14 and evidence of rehabilitation contained in the
15 applicant's record, including those provided in Section 4i
16 of the Cigarette Tax Act, and after a hearing, if
17 requested by the applicant, determines that the such
18 person has not been sufficiently rehabilitated to warrant
19 the public trust and the conviction will impair the
20 ability of the person to engage in the position for which a
21 license is sought;

22 (3) a corporation, if any officer, manager, or
23 director thereof, or any stockholder or stockholders
24 owning in the aggregate more than 5% of the stock of such
25 corporation, would not be eligible to receive a license
26 under this Act for any reason; ~~or~~

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1 (4) a person who has delinquent reports under Section

2 25 of the Tobacco Products Manufacturers' Escrow
3 Enforcement Act of 2003; or

4 (5) a person, or any person who owns more than 15% of
5 the ownership interests in an entity or a related party,
6 who:

7 (A) owes, at the time of application, any
8 delinquent ~~cigarette taxes or tobacco~~ taxes that have
9 been determined by law to be due and unpaid under this
10 Act or any other tax Act administered by the
11 Department, unless the license applicant has entered
12 into an agreement approved by the Department to pay
13 the amount due;

14 (B) has had a license under this Act, the
15 Cigarette Tax Act, the Cigarette Use Tax Act, or the
16 Tobacco Products Tax Act of 1995 revoked within the
17 past 2 years by the Department for misconduct relating
18 to stolen or contraband cigarettes or has been
19 convicted of a State or federal crime, punishable by
20 imprisonment of one year or more, relating to stolen
21 or contraband cigarettes;

22 (B-5) manufactures cigarettes, whether in this
23 State or outside of this State, and who is neither (i)
24 a participating manufacturer as defined in subsection
25 II(jj) of the "Master Settlement Agreement" as defined
26 in Sections 10 of the Tobacco Product Manufacturers'

1 Escrow Act and the Tobacco Products Manufacturers'
2 Escrow Enforcement Act of 2003; nor (ii) in full
3 compliance with Tobacco Product Manufacturers' Escrow
4 Act and the Tobacco Products Manufacturers' Escrow
5 Enforcement Act of 2003;

6 (C) has been found by the Department, after notice
7 and a hearing, to have imported or caused to be
8 imported into the United States for sale or
9 distribution any cigarette in violation of 19 U.S.C.
10 1681a;

11 (D) has been found by the Department, after notice
12 and a hearing, to have imported or caused to be
13 imported into the United States for sale or

14 distribution, or manufactured for sale or distribution
15 in the United States, any cigarette that does not
16 fully comply with the Federal Cigarette Labeling and
17 Advertising Act (15 U.S.C. 1331, et seq.); or

18 (E) has been found by the Department, after notice
19 and a hearing, to have made a materially material
20 false statement in the application or has failed to
21 produce records required to be maintained by this Act.

22 The Department, upon receipt of an application and ,
23 license fee, ~~and bond~~ in proper form from a person who is
24 eligible to receive a cigarette machine operator license under
25 this Act, shall issue to such applicant a license in a form as
26 prescribed by the Department. That license shall permit the

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1 applicant to whom it is issued to engage in business as a
2 cigarette machine operator at the place shown in the ~~his or her~~
3 application. All licenses issued by the Department under this
4 Section shall be valid for a period not to exceed one year
5 after issuance unless sooner revoked, canceled, or suspended
6 as provided in this Act. No license issued under this Section
7 is transferable or assignable. Such license shall be
8 conspicuously displayed in the place of business conducted by
9 the licensee in Illinois under such license. No cigarette
10 machine operator acquires any vested interest or compensable
11 property right in a license issued under this Section Act.

12 A cigarette machine operator shall notify the Department
13 of any change in the information contained in ~~on~~ the
14 application form, including any change in ownership, and shall
15 do so within 30 days after that change.

16 Every prior continuous compliance taxpayer shall be exempt
17 from all requirements under this Section concerning the
18 furnishing of bond as a condition precedent to his being
19 authorized to engage in the business licensed under this Act.
20 This exemption shall continue for each prior continuous
21 compliance taxpayer until such time as he may be determined by
22 the Department to be delinquent in the filing of any returns,
23 or is determined by the Department (either through the
24 Department's issuance of a final assessment which has become
25 final under the Act, or by the taxpayer's filing of a return

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1 or deficient in the paying of any tax under this Act, at which
2 time that taxpayer shall become subject to the bond
3 requirements of this Section and, as a condition of being
4 allowed to continue to engage in the business licensed under
5 this Act, shall be required to furnish bond to the Department
6 in such form as provided in this Section. The taxpayer shall
7 furnish such bond for a period of 2 years, after which, if the
8 taxpayer has not been delinquent in the filing of any returns,
9 or delinquent or deficient in the paying of any tax under this
10 Act, the Department may reinstate that person as a prior
11 continuous ~~continuance~~ compliance taxpayer. Any taxpayer who
12 fails to pay an admitted or established liability under this
13 Act may also be required by the Department to post bond or
14 other acceptable security with the Department guaranteeing the
15 payment of that admitted or established liability.

16 The Department shall discharge any surety and shall
17 release and return any bond or security deposited, assigned,
18 pledged, or otherwise provided to it by a taxpayer under this
19 Section within 30 days after:

20 (1) that taxpayer becomes a prior continuous
21 compliance taxpayer; or

22 (2) that taxpayer has ceased to collect receipts on
23 which the taxpayer ~~he~~ is required to remit tax to the
24 Department, has filed a final tax return, and has paid to
25 the Department an amount sufficient to discharge the ~~his~~
26 remaining tax liability as determined by the Department

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1 under this Act. The Department shall make a final
2 determination of the taxpayer's outstanding tax liability
3 as expeditiously as possible after the ~~his~~ final tax
4 return has been filed. If the Department cannot make the
5 final determination within 45 days after receiving the

6 final tax return, it shall so notify the taxpayer within
7 that period, stating its reasons therefor ~~therefore~~.

8 Any person aggrieved by any decision of the Department
9 under this Section may, within ~~30~~ 20 days after ~~receiving~~
10 notice of the decision, protest and request a hearing. Upon
11 receiving a written request for a hearing, the Department
12 shall give notice to the person requesting the hearing of the
13 time and place fixed for the hearing and shall hold a hearing
14 in conformity with the provisions of this Act and then issue
15 its final administrative decision in the matter to that
16 person. In the absence of a protest and request for a hearing
17 within ~~30~~ 20 days, the Department's decision shall become
18 final without any further determination being made or notice
19 given.

20 (Source: P.A. 97-688, eff. 6-14-12.)

21 (35 ILCS 128/1-20)

22 Sec. 1-20. Revocation, cancellation, or suspension of
23 license. The Department may, after notice and hearing as
24 provided for by this Act, revoke, cancel, or suspend the
25 license of any cigarette machine operator for the violation of

1 any provision of this Act, or for noncompliance with the
2 provisions of this Act, or for any noncompliance with any
3 lawful rule ~~or regulation~~ promulgated by the Department under
4 this Act, or because the licensee is determined to be
5 ineligible for a cigarette machine operator's license for any
6 one or more of the reasons provided for in Section 1-15 of this
7 Act.

8 Any cigarette machine operator aggrieved by any decision
9 of the Department under this Section may, within ~~30~~ 20 days
10 after notice of the decision, protest and request a hearing.
11 Upon receiving a written request for a hearing, the Department
12 shall give notice in writing to the cigarette machine operator
13 requesting the hearing that contains a statement of the
14 charges preferred against the cigarette machine operator and
15 that states the time and place fixed for the hearing. The
16 Department shall hold the hearing in conformity with the
17 provisions of this Act and then issue its final administrative

18 decision in the matter to the cigarette machine operator. In
19 the absence of a written protest and request for a hearing
20 within 30 ~~20~~ days, the Department's decision shall become
21 final without any further determination being made or notice
22 given.

23 No license so revoked shall be reissued to any cigarette
24 machine operator for a period of 6 months after the date of the
25 final determination of such revocation. No license shall be
26 reissued at all so long as the person who would receive the

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1 license is ineligible to receive a cigarette machine
2 operator's license under this Act for any one or more of the
3 reasons provided for in Section 1-15 of this Act.

4 The Department, upon complaint filed in the circuit court,
5 may, by injunction, restrain any person who fails or refuses
6 to comply with any of the provisions of this Act from acting as
7 a cigarette machine operator in this State.

8 (Source: P.A. 97-688, eff. 6-14-12.)

9 (35 ILCS 128/1-40)

10 Sec. 1-40. Returns.

11 (a) Cigarette machine operators shall file a return and
12 remit the tax imposed by Section 1-10 by the 15th day of each
13 month covering the preceding calendar month. Each such return
14 shall show: the quantity of cigarettes made or fabricated
15 during the period covered by the return; the beginning and
16 ending meter reading for each cigarette machine for the period
17 covered by the return; the quantity of such cigarettes sold or
18 otherwise disposed of during the period covered by the return;
19 the brand family and manufacturer and quantity of tobacco
20 products used to make or fabricate cigarettes by use of a
21 cigarette machine; the license number of each distributor from
22 whom tobacco products are purchased; the type and quantity of
23 cigarette tubes purchased for use in a cigarette machine; the
24 type and quantity of cigarette tubes used in a cigarette
25 machine; and such other information as the Department may

1 require. Information that the Department may reasonably
2 require includes information related to the uniform regulation
3 and taxation of cigarettes. All returns and supporting
4 schedules required to be filed under this Section and all
5 payments required to be made under this Section shall be by
6 electronic means in the form prescribed by the Department.

7 Cigarette machine operators shall send a copy of those
8 returns, together with supporting schedule data, to the
9 Attorney General's Office by the 15th day of each month for the
10 period covering the preceding calendar month.

11 (b) Cigarette machine operators may take a credit against
12 any tax due under Section 1-10 of this Act for taxes imposed
13 and paid under the Tobacco Products Tax Act of 1995 on tobacco
14 products sold to a customer and used in a rolling machine
15 located at the cigarette machine operator's place of business.
16 To be eligible for such credit, the tobacco product must meet
17 the requirements of subsection (a) of Section 1-25 of this
18 Act. This subsection (b) is exempt from the provisions of
19 Section 1-155 of this Act.

20 (c) If any payment provided for in this Section exceeds
21 the cigarette machine operator's liabilities under this Act,
22 as shown on an original return, the cigarette machine operator
23 may credit such excess payment against liability subsequently
24 to be remitted to the Department under this Act, in accordance
25 with reasonable rules adopted by the Department.

26 (Source: P.A. 104-6, eff. 1-1-26.)

1 (35 ILCS 128/1-105)

2 Sec. 1-105. Hearings regarding seized cigarettes and
3 cigarette machines. After seizing any cigarettes or cigarette
4 machines, as provided in Section 1-100 of this Act, the
5 Department shall hold a hearing and shall determine whether

6 such cigarettes, at the time of their seizure by the
7 Department, were contraband cigarettes, or whether such
8 cigarette machines, at the time of their seizure by the
9 Department, contained or made contraband cigarettes. The
10 Department is not required to hold such a hearing if a waiver
11 and consent to forfeiture has been executed by the owner of the
12 property, if the owner is known, and by the person in whose
13 possession the property so taken was found, if that person is
14 known and if that person is not the owner of the property. The
15 Department shall give not less than 7 days' notice of the time
16 and place of such hearing to the owner of such property, if he
17 is known, and also to the person in whose possession the
18 property so taken was found, if such person is known and if
19 such person in possession is not the owner of said property. In
20 case neither the owner nor the person in possession of such
21 property is known, the Department shall cause publication of
22 the time and place of such hearing to be made at least once in
23 each week for 3 weeks successively in a newspaper of general
24 circulation in the county where such hearing is to be held.
25 If, as the result of such hearing, the Department

1 determines that the cigarettes seized were, at the time of
2 seizure, contraband cigarettes, or that any cigarette machine
3 at the time of its seizure contained or made contraband
4 cigarettes, or upon receipt of a properly executed waiver and
5 consent to forfeiture as provided in this Section, the
6 Department shall enter an order declaring such cigarettes or
7 such cigarette machine confiscated and forfeited to the State,
8 and to be held by the Department for disposal as provided in
9 this Section. The Department shall give notice of such order
10 to the owner of such property if he is known, and also to the
11 person in whose possession the property so taken was found, if
12 such person is known, and if such person in possession is not
13 the owner of the property. In case neither the owner nor the
14 person in possession of such property is known, the Department
15 shall cause publication of such order to be made at least once
16 in each week for 3 weeks successively in a newspaper of general
17 circulation in the county where such hearing was held.
18 When any cigarettes or any cigarette machine shall have

19 been declared forfeited to the State by the Department, as
20 provided hereunder, and when all proceedings for the judicial
21 review of the Department's decision have terminated, the
22 Department shall, to the extent that its decision is sustained
23 on review, destroy or maintain and use such property in an
24 undercover capacity.

25 The cost of destruction shall be assessed against the
26 owner of the forfeited property or the person in possession of

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1 the forfeited property. Those costs shall be assessed
2 regardless of whether the forfeiture is determined by hearing
3 or waiver.

4 Any person aggrieved by any decision of the Department
5 under this Section may, within 30 days after notice of the
6 decision, protest and request a hearing. Upon receiving a
7 written request for a hearing, the Department shall give
8 notice to the person requesting the hearing of the time and
9 place fixed for the hearing and shall hold a hearing in
10 conformity with the provisions of this Act and then issue its
11 final administrative decision in the matter to that person. In
12 the absence of a protest and request for a hearing within 30
13 days, the Department's decision shall become final without any
14 further determination being made or notice given.

15 (Source: P.A. 97-688, eff. 6-14-12.)

16 Section 80-10. The Cigarette Tax Act is amended by
17 changing Sections 4, 4a, 4b, 4c, 4f, 4g, 4i, 6, and 21 as
18 follows:

19 (35 ILCS 130/4) (from Ch. 120, par. 453.4)

20 Sec. 4. Distributor's license.

21 (a) No person may engage in business as a distributor of
22 cigarettes in this State within the meaning of the first 2
23 definitions of distributor in Section 1 of this Act without
24 first having obtained a license therefor from the Department.

1 Application for license shall be made to the Department, by
2 electronic means, in a form ~~as furnished and~~ prescribed by the
3 Department. Each applicant for a license under this Section
4 shall furnish to the Department in a ~~on the~~ form signed and
5 verified by the applicant under penalty of perjury, in an
6 electronic format established by the Department, the following
7 information:

8 (1) a statement that the applicant will fully comply
9 with the Tobacco Products Manufacturers' Escrow
10 Enforcement Act of 2003; and

11 (2) the following information:

12 (A) the ~~(a)~~ The name and address of the applicant;

13 (B) the ~~(b)~~ The address of the location at which
14 the applicant proposes to engage in business as a
15 distributor of cigarettes in this State; and

16 (C) such ~~(c)~~ Such other additional information as
17 the Department may reasonably ~~lawfully~~ require by its
18 rules ~~and regulations~~.

19 The ~~annual~~ license fee payable to the Department for the
20 initial and each renewal distributor's license shall be \$250.
21 The purpose of the initial and renewal ~~such annual~~ license fee
22 is to defray the cost, to the Department, of serializing
23 cigarette tax stamps. Each applicant for license shall pay
24 such fee to the Department at the time of submitting the ~~his~~
25 application for license to the Department.

26 Through June 30, 2027, every ~~Every~~ applicant who is

1 required to procure a distributor's license shall file with
2 his application a joint and several bond. Such bond shall be
3 executed to the Department of Revenue, with good and
4 sufficient surety or sureties residing or licensed to do
5 business within the State of Illinois, in the amount of
6 \$2,500, conditioned upon the true and faithful compliance by
7 the licensee with all of the provisions of this Act. Such bond,
8 or a reissue thereof, or a substitute therefor, shall be kept
9 in effect during the entire period covered by the license. On
10 and after July 1, 2027, applicants are no longer required to

11 file a bond with their application. The Department shall
12 discharge any surety and shall release and return any bond
13 provided to it by a taxpayer under this Section within 90 days
14 after July 1, 2027, provided that the taxpayer is not
15 delinquent or deficient in the payment of tax liability.

16 A separate application for license shall be made and, a
17 separate ~~annual~~ license fee paid, ~~and a separate bond filed,~~
18 for each place of business at which a person who is required to
19 procure a distributor's license under this Section proposes to
20 engage in business as a distributor in Illinois under this
21 Section Act.

22 (b) The following are ineligible to receive a
23 distributor's license under this Section Act:

24 (1) a person who is not of good character and
25 reputation in the community in which the person ~~he~~
26 resides; the Department may consider prior conviction of a

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1 felony, ~~past conviction of a felony~~ but, except as
2 provided in paragraph (2), the conviction shall not
3 operate as an absolute bar to licensure;

4 (2) a person who has been convicted of a felony under
5 any federal ~~Federal~~ or State law, if the Department, after
6 investigation and ~~a hearing and~~ consideration of any
7 mitigating factors and evidence of rehabilitation
8 contained in the applicant's record, including those
9 provided in Section 4i of this Act, and after a hearing, if
10 requested by the applicant, determines that ~~the~~ such
11 person has not been sufficiently rehabilitated to warrant
12 the public trust and the conviction will impair the
13 ability of the person to engage in the position for which a
14 license is sought;

15 (3) a corporation, if any officer, manager, ~~or~~
16 director thereof, or any stockholder or stockholders
17 owning in the aggregate more than 5% of the stock of such
18 corporation, would not be eligible to receive a license
19 under this Act for any reason;

20 (4) a person who has delinquent reports under Section
21 25 of the Tobacco Products Manufacturers' Escrow
22 Enforcement Act of 2003; or

23 (5) a person, or any person who owns more than ~~15%~~ 15
24 percent of the ownership interests in a person or a
25 related party who:
26 (A) ~~(a)~~ owes, at the time of application, any

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1 delinquent ~~cigarette~~ taxes that have been determined
2 by law to be due and unpaid under this Act or any other
3 tax Act administered by the Department, unless the
4 license applicant has entered into an agreement
5 approved by the Department to pay the amount due;

6 (B) ~~(b)~~ had a license under this Act, the
7 Cigarette Use Tax Act, the Tobacco Products Tax Act of
8 1995, or the Cigarette Machine Operator's Occupation
9 Tax Act revoked within the past 2 ~~two~~ years by the
10 Department for misconduct relating to stolen or
11 contraband cigarettes or has been convicted of a State
12 or federal crime, punishable by imprisonment of one
13 year or more, relating to stolen or contraband
14 cigarettes;

15 (C) ~~(c)~~ manufactures cigarettes, whether in this
16 State or out of this State, and who is neither (i) a
17 participating manufacturer as defined in subsection
18 II(jj) of the "Master Settlement Agreement" as defined
19 in Sections 10 of the Tobacco Product Products
20 Manufacturers' Escrow Act and the Tobacco Products
21 Manufacturers' Escrow Enforcement Act of 2003 ~~(30 ILCS~~
22 ~~168/10 and 30 ILCS 167/10)~~; nor (ii) in full
23 compliance with Tobacco Product Products
24 Manufacturers' Escrow Act and the Tobacco Products
25 Manufacturers' Escrow Enforcement Act of 2003 ~~(30 ILCS~~
26 ~~168/ and 30 ILCS 167/)~~;

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1 (D) ~~(d)~~ has been found by the Department, after
2 notice and a hearing, to have imported or caused to be

imported into the United States for sale or
distribution any cigarette in violation of 19 U.S.C.
1681a;

(E) ~~(e)~~ has been found by the Department, after
notice and a hearing, to have imported or caused to be
imported into the United States for sale or
distribution or manufactured for sale or distribution
in the United States any cigarette that does not fully
comply with the Federal Cigarette Labeling and
Advertising Act (15 U.S.C. 1331, et seq.); or

(F) ~~(f)~~ has been found by the Department, after
notice and a hearing, to have made a materially
~~material~~ false statement in the application or has
failed to produce records required to be maintained by
this Act.

(c) The Department, upon receipt of an application and ~~and~~
license fee ~~and bond in proper form~~, from a person who is
eligible to receive a distributor's license under this
Section, Act, shall issue to such applicant a license. That in
~~form as prescribed by the Department, which~~ license shall
permit the applicant ~~to which it is issued~~ to engage in
business as a distributor at the place shown in the ~~his~~
application. All licenses issued by the Department under this
Section Act shall be valid for a period not to exceed one year

after issuance unless sooner revoked, canceled, or suspended
as provided in this Act. No license issued under this Section
~~Act~~ is transferable or assignable. Such license shall be
conspicuously displayed in the place of business conducted by
the licensee in Illinois under such license. No distributor
licensee acquires any vested interest or compensable property
right in a license issued under this Section Act.

A licensed distributor shall notify the Department of any
change in the information contained on the application form,
including any change in ownership and shall do so within 30
days after any such change.

Any person aggrieved by any decision of the Department
under this Section may, within 30 ~~20~~ days after notice of the
decision, protest and request a hearing. Upon receiving a

15 request for a hearing, the Department shall give notice to the
16 person requesting the hearing of the time and place fixed for
17 the hearing and shall hold a hearing in conformity with the
18 provisions of this Act and then issue its final administrative
19 decision in the matter to that person. In the absence of a
20 protest and request for a hearing within 30 ~~20~~ days, the
21 Department's decision shall become final without any further
22 determination being made or notice given.

23 (Source: P.A. 100-286, eff. 1-1-18.)

24 (35 ILCS 130/4a) (from Ch. 120, par. 453.4a)

25 Sec. 4a. If a distributor shall be convicted of the

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1 violation of any of the provisions of this Act, or if the
2 distributor's ~~his or her~~ license shall be revoked and no
3 review is had of the order or revocation, or if on review
4 thereof the decision is adverse to the distributor, or if a
5 distributor fails to pay an assessment as to which no judicial
6 review is sought and which has become final, or pursuant to
7 which, upon review thereof, the circuit court has entered a
8 judgment that is in favor of the Department and that has become
9 final, the bond filed pursuant to this Act shall thereupon be
10 forfeited, and the Department may institute a suit upon such
11 bond in its own name for the entire amount of such bond and
12 costs. Such suit upon the bond shall be in addition to any
13 other remedy provided for herein.

14 This Section is repealed on January 1, 2028.

15 (Source: P.A. 96-1027, eff. 7-12-10.)

16 (35 ILCS 130/4b) (from Ch. 120, par. 453.4b)

17 Sec. 4b. Distributor's permit.

18 (a) Cigarettes in original packages contained inside a
19 sealed transparent wrapper.

20 (1) The Department may, in its discretion, upon
21 application, issue permits authorizing the payment of the
22 tax herein imposed by out-of-State cigarette manufacturers
23 who are not required to be licensed as distributors of
24 cigarettes in this State, but who elect to qualify under
25 this subsection ~~Act~~ as distributors of cigarettes in this

1 State, and who, to the satisfaction of the Department,
2 furnish adequate security to insure payment of the tax,
3 provided that any such permit shall extend only to
4 cigarettes which such permittee manufacturer places in
5 original packages that are contained inside a sealed
6 transparent wrapper. Application for a permit shall be
7 made to the Department, by electronic means, in a form
8 prescribed by the Department. Such permits shall be issued
9 without charge in such form as the Department may
10 prescribe and shall not be transferable or assignable.

11 (2) Each applicant for a permit under this subsection
12 shall furnish to the Department in a form signed and
13 verified by the applicant under penalty of perjury, in an
14 electronic format established by the Department, the
15 following:

16 (A) a statement that the applicant will fully
17 comply with the Tobacco Products Manufacturers' Escrow
18 Enforcement Act of 2003; and

19 (B) the following information:

20 (i) the name and address of the applicant;

21 (ii) the address of the location at which the
22 applicant proposes to engage in business; and

23 (iii) such other additional information as the
24 Department may reasonably require by its rules.

25 (3) The following are ineligible to receive a
26 distributor's permit under this subsection:

1 (A) ~~(1)~~ a person who is not of good character and
2 reputation in the community in which the person ~~he~~
3 resides; the Department may consider prior conviction
4 of a felony, ~~past conviction of a felony~~ but, except as
5 provided in paragraph (B), the conviction shall not
6 operate as an absolute bar to receiving a permit;

7 (B) (2) a person who has been convicted of a felony
8 under any ~~federal~~ Federal or State law, if the
9 Department, after investigation and a ~~hearing and~~
10 consideration of ~~any~~ mitigating factors and evidence
11 of rehabilitation contained in the applicant's record,
12 including those in Section 4i of this Act, and after a
13 hearing, if requested by the applicant, determines
14 that such person has not been sufficiently
15 rehabilitated to warrant the public trust and the
16 conviction will impair the ability of the person to
17 engage in the position for which a permit is sought;

18 (C) (3) a corporation, if any officer, manager or
19 director thereof, or any stockholder or stockholders
20 owning in the aggregate more than 5% of the stock of
21 such corporation, would not be eligible to receive a
22 permit under this Act for any reason.

23 (D) a person who has delinquent reports under
24 Section 25 of the Tobacco Products Manufacturers'
25 Escrow Enforcement Act of 2003; or

26 (E) a person, or any person who owns more than 15%

1 of the ownership interests in a person or a related
2 party, who:

3 (i) owes, at the time of application, any
4 delinquent taxes that have been determined by law
5 to be due and unpaid under this Act or any other
6 tax Act administered by the Department, unless the
7 applicant has entered into an agreement approved
8 by the Department to pay the amount due;

9 (ii) had a license under this Act, the
10 Cigarette Use Tax Act, the Tobacco Products Tax
11 Act of 1995, or the Cigarette Machine Operator's
12 Occupation Tax Act revoked within the past 2 years
13 by the Department for misconduct relating to
14 stolen or contraband cigarettes or has been
15 convicted of a State or federal crime, punishable
16 by imprisonment of one year or more, relating to
17 stolen or contraband cigarettes;

18 (iii) manufactures cigarettes, whether in this

19 State or out of this State, and who is neither (a)
20 a participating manufacturer as defined in
21 subsection II(jj) of the "Master Settlement
22 Agreement" as defined in Sections 10 of the
23 Tobacco Product Manufacturers' Escrow Act and the
24 Tobacco Products Manufacturers' Escrow Enforcement
25 Act of 2003; nor (b) in full compliance with
26 Tobacco Product Manufacturers' Escrow Act and the

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1 Tobacco Products Manufacturers' Escrow Enforcement
2 Act of 2003;

3 (iv) has been found by the Department, after
4 notice and a hearing, to have imported or caused
5 to be imported into the United States for sale or
6 distribution any cigarette in violation of 19
7 U.S.C. 1681a;

8 (v) has been found by the Department, after
9 notice and a hearing, to have imported or caused
10 to be imported into the United States for sale or
11 distribution or manufactured for sale or
12 distribution in the United States any cigarette
13 that does not fully comply with the Federal
14 Cigarette Labeling and Advertising Act (15 U.S.C.
15 1331, et seq.); or

16 (vi) has been found by the Department, after
17 notice and a hearing, to have made a materially
18 false statement in the application or has failed
19 to produce records required to be maintained by
20 this Act.

21 (4) There is no application fee for the initial and
22 renewal permits. A permittee shall notify the Department
23 of any change in the information contained on the
24 application form, including any change in ownership and
25 shall do so within 30 days after the change. The permit
26 shall not be transferable or assignable. A permittee does

1 not acquire any vested interest or compensable property
2 right in a permit issued under this subsection.

3 (5) Any person aggrieved by any decision of the
4 Department under this subsection may, within 30 days after
5 notice of the decision, protest and request a hearing.
6 Upon receiving a request for a hearing, the Department
7 shall give notice to the person requesting the hearing of
8 the time and place fixed for the hearing and shall hold a
9 hearing in conformity with the provisions of this Act and
10 then issue its final administrative decision in the matter
11 to that person. In the absence of a protest and request for
12 a hearing within 30 days, the Department's decision shall
13 become final without any further determination being made
14 or notice given.

15 (6) With respect to cigarettes which come within the
16 scope of such a permit and which any such permittee
17 delivers or causes to be delivered in Illinois to licensed
18 distributors, such permittee shall remit the tax imposed
19 by this Act at the times provided for in Section 3 of this
20 Act. Each such remittance shall be accompanied by a return
21 filed with the Department ~~in on~~ a form ~~to be~~ prescribed ~~and~~
22 ~~furnished~~ by the Department and shall disclose such
23 information as the Department may lawfully require.
24 Information that the Department may lawfully require
25 includes information related to the uniform regulation and
26 taxation of cigarettes. All returns and supporting

1 schedules required to be filed under this subsection
2 ~~Section~~ and all payments required to be made under this
3 ~~subsection~~ ~~Section~~ shall be by electronic means in the
4 form prescribed by the Department. Each such return shall
5 be accompanied by a copy of each invoice rendered by the
6 permittee to any licensed distributor to whom the
7 permittee delivered cigarettes of the type covered by the
8 permit (or caused cigarettes of the type covered by the
9 permit to be delivered) in Illinois during the period
10 covered by such return.

11 (7) Such permit may be suspended, canceled, or revoked
12 when, at any time, the Department considers that the
13 security given is inadequate, or that such tax can more
14 effectively be collected from distributors located in this
15 State, or whenever the permittee violates any provision of
16 this Act or any lawful rule ~~or regulation~~ issued by the
17 Department pursuant to this Act or is determined to be
18 ineligible for a distributor's permit under this Act as
19 provided in this ~~subsection~~ Section, whenever the
20 permittee shall notify the Department in writing ~~of his~~
21 ~~desire~~ to have the permit canceled. The Department shall
22 have the power, in its discretion, to issue a new permit
23 after such suspension, cancellation or revocation, except
24 when the person who would receive the permit is ineligible
25 to receive a distributor's permit under this Act.

26 (8) All permits issued by the Department under this

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1 ~~subsection Act~~ shall be valid for a period not to exceed
2 one year after issuance unless sooner revoked, canceled,
3 or suspended as provided in this Act ~~provided~~.

4 (b) Unstamped original packages of cigarettes for
5 distribution to the public for promotional purposes without
6 consideration.

7 (1) Out-of-state cigarette manufacturers who are not
8 required to be licensed as distributors of cigarettes in
9 this State and who do not elect to obtain approval under
10 subsection 4b(a) to pay the tax imposed by this Act, but
11 who elect to qualify under this ~~subsection Act~~ as
12 distributors of cigarettes in this State for purposes of
13 shipping and delivering unstamped original packages of
14 cigarettes into this State to licensed distributors, shall
15 obtain a permit from the Department. Application for a
16 permit shall be made to the Department, by electronic
17 means, in a form prescribed by the Department. These
18 ~~permits shall be issued without charge in such form as the~~
19 ~~Department may prescribe and shall not be transferable or~~
20 ~~assignable.~~

21 (2) Each applicant for a permit under this subsection
22 shall furnish to the Department in a form signed and

23 verified by the applicant under penalty of perjury, in an
24 electronic format established by the Department, the
25 following:
26 (A) a statement that the applicant will fully

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1 comply with the Tobacco Products Manufacturers' Escrow
2 Enforcement Act of 2003; and

3 (B) the following information:

4 (i) the name and address of the applicant;

5 (ii) the address of the location at which the
6 applicant proposes to engage in business; and

7 (iii) such other additional information as the
8 Department may reasonably require by its rules.

9 (3) The following are ineligible to receive a
10 distributor's permit under this subsection:

11 (A) (1) a person who is not of good character and
12 reputation in the community in which the person he or
13 she resides; the Department may consider prior
14 conviction of a felony, past conviction of a felony
15 but, except as provided in paragraph (B), the
16 conviction shall not operate as an absolute bar to
17 receiving a permit;

18 (B) (2) a person who has been convicted of a felony
19 under any federal or State law, if the Department,
20 after investigation and a hearing and consideration of
21 any mitigating factors and evidence of rehabilitation
22 contained in the applicant's record, including those
23 set forth in Section 4i of this Act, and a hearing, if
24 requested by the applicant, determines that the person
25 has not been sufficiently rehabilitated to warrant the
26 public trust and the conviction will impair the

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1 ability of the person to engage in the position for
2 which a permit is sought; and

3 (C) ~~(3)~~ a corporation, if any officer, manager, or
4 director thereof, or any stockholder or stockholders
5 owning in the aggregate more than 5% of the stock of
6 the corporation, would not be eligible to receive a
7 permit under this Act for any reason; -

8 (D) a person who has delinquent reports under
9 Section 25 of the Tobacco Products Manufacturers'
10 Escrow Enforcement Act of 2003; or

11 (E) a person, or any person who owns more than 15%
12 of the ownership interests in a person or a related
13 party who:

14 (i) owes, at the time of application, any
15 delinquent taxes that have been determined by law
16 to be due and unpaid under this Act or any other
17 tax Act administered by the Department, unless the
18 applicant has entered into an agreement approved
19 by the Department to pay the amount due;

20 (ii) had a license under this Act, the
21 Cigarette Use Tax Act, the Tobacco Products Tax
22 Act of 1995, or the Cigarette Machine Operator's
23 Occupation Tax Act revoked within the past 2 years
24 by the Department for misconduct relating to
25 stolen or contraband cigarettes or has been
26 convicted of a State or federal crime, punishable

1 by imprisonment of one year or more, relating to
2 stolen or contraband cigarettes;

3 (iii) manufactures cigarettes, whether in this
4 State or out of this State, and who is neither (a)
5 a participating manufacturer as defined in
6 subsection II(jj) of the "Master Settlement
7 Agreement" as defined in Sections 10 of the
8 Tobacco Product Manufacturers' Escrow Act and the
9 Tobacco Products Manufacturers' Escrow Enforcement
10 Act of 2003; nor (b) in full compliance with
11 Tobacco Product Manufacturers' Escrow Act and the
12 Tobacco Products Manufacturers' Escrow Enforcement
13 Act of 2003;

14 (iv) has been found by the Department, after

15 notice and a hearing, to have imported or caused
16 to be imported into the United States for sale or
17 distribution any cigarette in violation of 19
18 U.S.C. 1681a;
19 (v) has been found by the Department, after
20 notice and a hearing, to have imported or caused
21 to be imported into the United States for sale or
22 distribution or manufactured for sale or
23 distribution in the United States any cigarette
24 that does not fully comply with the Federal
25 Cigarette Labeling and Advertising Act (15 U.S.C.
26 1331, et seq.); or

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1 (vi) has been found by the Department, after
2 notice and a hearing, to have made a materially
3 false statement in the application or has failed
4 to produce records required to be maintained by
5 this Act.

6 (4) There is no application fee for the initial and
7 renewal permits. A permittee shall notify the Department
8 of any change in the information contained on the
9 application form, including any change in ownership and
10 shall do so within 30 days after any such change. Such
11 permit shall not be transferable or assignable. A
12 permittee does not acquire any vested interest or
13 compensable property right in a permit issued under this
14 subsection.

15 (5) Any person aggrieved by any decision of the
16 Department under this subsection may, within 30 days after
17 notice of the decision, protest and request a hearing.
18 Upon receiving a request for a hearing, the Department
19 shall give notice to the person requesting the hearing of
20 the time and place fixed for the hearing and shall hold a
21 hearing in conformity with the provisions of this Act and
22 then issue its final administrative decision in the matter
23 to that person. In the absence of a protest and request for
24 a hearing within 30 days, the Department's decision shall
25 become final without any further determination being made
26 or notice given.

1 (6) With respect to original packages of cigarettes
2 that such permittee delivers or causes to be delivered in
3 Illinois and distributes to the public for promotional
4 purposes without consideration, the permittee shall pay
5 the tax imposed by this Act by remitting the amount
6 thereof to the Department by the 5th day of each month
7 covering cigarettes shipped or otherwise delivered in
8 Illinois for those purposes during the preceding calendar
9 month. The permittee, before delivering those cigarettes
10 or causing those cigarettes to be delivered in this State,
11 shall evidence the permittee's ~~his or her~~ obligation to
12 remit the taxes due with respect to those cigarettes by
13 imprinting language to be prescribed by the Department on
14 each original package of cigarettes, in such place thereon
15 and in such manner also to be prescribed by the
16 Department. The imprinted language shall acknowledge the
17 permittee's payment of or liability for the tax imposed by
18 this Act with respect to the distribution of those
19 cigarettes.

20 (7) With respect to cigarettes that the permittee
21 delivers or causes to be delivered in Illinois to Illinois
22 licensed distributors or distributed to the public for
23 promotional purposes, the permittee shall, by the 5th day
24 of each month, file with the Department, a report covering
25 cigarettes shipped or otherwise delivered in Illinois to
26 licensed distributors or distributed to the public for

1 promotional purposes during the preceding calendar month
2 in on a form ~~to be prescribed and furnished~~ by the
3 Department and shall disclose such other information as
4 the Department may lawfully require. Information that the
5 Department may lawfully require includes information
6 related to the uniform regulation and taxation of

7 cigarettes. All reports and supporting schedules required
8 to be filed under this subsection ~~Section~~ shall be filed
9 electronically in the form prescribed by the Department.
10 Each such report shall be accompanied by a copy of each
11 invoice rendered by the permittee to any purchaser to whom
12 the permittee delivered cigarettes of the type covered by
13 the permit (or caused cigarettes of the type covered by
14 the permit to be delivered) in Illinois during the period
15 covered by such report.

16 (8) Such permit may be suspended, canceled, or revoked
17 whenever the permittee violates any provision of this Act
18 or any lawful rule ~~or regulation~~ issued by the Department
19 pursuant to this Act, is determined to be ineligible for a
20 distributor's permit under this Act as provided in this
21 subsection ~~Section~~, or notifies the Department in writing
22 ~~of his or her desire~~ to have the permit canceled. The
23 Department shall have the power, in its discretion, to
24 issue a new permit after such suspension, cancellation, or
25 revocation, except when the person who would receive the
26 permit is ineligible to receive a distributor's permit

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1 under this Act.

2 (9) All permits issued by the Department under this
3 subsection ~~Act~~ shall be valid for a period not to exceed
4 one year after issuance unless sooner revoked, canceled,
5 or suspended as provided in this Act.

6 (Source: P.A. 103-592, eff. 1-1-25; 104-6, eff. 1-1-26.)

7 (35 ILCS 130/4c)

8 Sec. 4c. Secondary distributor's license.

9 (a) No person may engage in business as a secondary
10 distributor of cigarettes in this State without first having
11 obtained a license ~~therefor~~ from the Department. Application
12 for license shall be made to the Department, by electronic
13 means, in ~~on~~ a form ~~as furnished and~~ prescribed by the
14 Department. Each applicant for a license under this Section
15 shall furnish ~~the following information~~ to the Department in
16 ~~on~~ a form signed and verified by the applicant under penalty of
17 perjury, in an electronic format established by the

18 Department, the following:

19 (1) a statement that the applicant will fully comply
20 with the Tobacco Products Manufacturers' Escrow
21 Enforcement Act of 2003; and

22 (2) the following information:

23 (A) the name and address of the applicant;

24 (B) ~~(2)~~ the address of the location at which the
25 applicant proposes to engage in business as a

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1 secondary distributor of cigarettes in this State; ~~and~~

2 (C) ~~(3)~~ such other additional information as the
3 Department may reasonably require by its rule.

4 The ~~annual~~ license fee payable to the Department for the
5 initial and each renewal secondary distributor's license shall
6 be \$250. Each applicant for a license shall pay such fee to the
7 Department at the time of submitting an application for
8 license to the Department.

9 A separate application for license shall be made and
10 separate ~~annual~~ license fee paid for each place of business at
11 which a person who is required to procure a secondary
12 distributor's license under this Section proposes to engage in
13 business as a secondary distributor in Illinois under this
14 Act.

15 (b) The following are ineligible to receive a secondary
16 distributor's license under this Section Act:

17 (1) a person who is not of good character and
18 reputation in the community in which the person he
19 resides; the Department may consider prior ~~past~~ conviction
20 of a felony but, except as provided in paragraph (2), the
21 conviction shall not operate as an absolute bar to
22 licensure receiving a license;

23 (2) a person who has been convicted of a felony under
24 any federal or State law, if the Department, after
25 investigation and ~~a hearing and~~ consideration of any the
26 mitigating factors and evidence of rehabilitation

1 contained in the applicant's record, including those
2 provided in subsection (b) of Section 4i of this Act, and
3 hearing, if requested by the applicant, determines that
4 such person has not been sufficiently rehabilitated to
5 warrant the public trust and the conviction will impair
6 the ability of the person to engage in the position for
7 which a license is sought;

8 (3) a corporation, if any officer, manager, or
9 director thereof, or any stockholder or stockholders
10 owning in the aggregate more than 5% of the stock of such
11 corporation, would not be eligible to receive a license
12 under this Act for any reason;

13 (4) a person who manufactures cigarettes, whether in
14 this State or out of this State, and who is neither (i) a
15 participating manufacturer as defined in subsection II(jj)
16 of the "Master Settlement Agreement" as defined in
17 Sections 10 of the Tobacco Product Manufacturers' Escrow
18 Act and the Tobacco Products Manufacturers' Escrow
19 Enforcement Act of 2003; nor (ii) in full compliance with
20 Tobacco Product Manufacturers' Escrow Act and the Tobacco
21 Products Manufacturers' Escrow Enforcement Act of 2003;

22 (5) a person who has delinquent reports under Section
23 25 of the Tobacco Products Manufacturers' Escrow
24 Enforcement Act of 2003; or

25 (6) a person, or any person who owns more than 15% of
26 the ownership interests in a person or a related party

1 who:

2 (A) owes, at the time of application, any
3 delinquent ~~cigarette~~ taxes that have been determined
4 by law to be due and unpaid under this Act or any other
5 tax Act administered by the Department, unless the
6 license applicant has entered into an agreement
7 approved by the Department to pay the amount due;

8 (B) had a license under this Act, the Cigarette
9 Use Tax Act, the Tobacco Products Tax Act of 1995, or
10 the Cigarette Machine Operator's Occupation Tax Act

11 revoked within the past ~~2~~ two years by the Department
12 for misconduct relating to stolen or contraband
13 cigarettes or has been convicted of a State or federal
14 crime, punishable by imprisonment of one year or more,
15 relating to stolen or contraband cigarettes;

16 (C) has been found by the Department, after notice
17 and a hearing, to have imported or caused to be
18 imported into the United States for sale or
19 distribution any cigarette in violation of 19 U.S.C.
20 1681a;

21 (D) has been found by the Department, after notice
22 and a hearing, to have imported or caused to be
23 imported into the United States for sale or
24 distribution or manufactured for sale or distribution
25 in the United States any cigarette that does not fully
26 comply with the Federal Cigarette Labeling and

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1 Advertising Act (15 U.S.C. 1331, et seq.); or

2 (E) has been found by the Department, after notice
3 and a hearing, to have made a materially material
4 false statement in the application or has failed to
5 produce records required to be maintained by this Act.

6 The Department, upon receipt of an application and license
7 fee from a person who is eligible to receive a secondary
8 distributor's license under this Section Act, shall issue to
9 such applicant a license in such form as prescribed by the
10 Department. The license shall permit the applicant to which it
11 is issued to engage in business as a secondary distributor at
12 the place shown in the ~~his~~ application. All licenses issued by
13 the Department under this Section Act shall be valid for a
14 period not to exceed one year after issuance unless sooner
15 revoked, canceled, or suspended as provided in this Act.

16 No license issued under this Section Act is transferable
17 or assignable. Such license shall be conspicuously displayed
18 in the place of business conducted by the licensee in Illinois
19 under such license. No secondary distributor licensee acquires
20 any vested interest or compensable property right in a license
21 issued under this Act.

22 A licensed secondary distributor shall notify the

23 Department of any change in the information contained on the
24 application form, including any change in ownership, and shall
25 do so within 30 days after any such change.
26 Any person aggrieved by any decision of the Department

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1 under this Section may, within 30 ~~20~~ days after notice of the
2 decision, protest and request a hearing. Upon receiving a
3 request for a hearing, the Department shall give notice to the
4 person requesting the hearing of the time and place fixed for
5 the hearing and shall hold a hearing in conformity with the
6 provisions of this Act and then issue its final administrative
7 decision in the matter to that person. In the absence of a
8 protest and request for a hearing within 30 ~~20~~ days, the
9 Department's decision shall become final without any further
10 determination being made or notice given.

11 (Source: P.A. 100-286, eff. 1-1-18.)

12 (35 ILCS 130/4f)

13 Sec. 4f. Manufacturer representatives.

14 (a) No manufacturer may market cigarettes produced by the
15 manufacturer directly to retailers in this State issued a
16 license under Section 4g of this Act without first having
17 obtained authorization from the Department. Application for
18 authority to maintain representatives in this State to market
19 in this State cigarettes produced by the manufacturer shall be
20 made to the Department, by electronic means, in ~~on~~ a form
21 ~~furnished and~~ prescribed by the Department. Each applicant
22 under this Section shall furnish ~~the following information~~ to
23 the Department in ~~on~~ a form signed and verified by the
24 applicant under penalty of perjury, in an electronic format
25 established by the Department, the following:

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1 (1) a statement that the applicant will fully comply
2 with the Tobacco Products Manufacturers' Escrow

3 Enforcement Act of 2003; and

4 (2) the following information:

5 (A) the name and address of the applicant;

6 (B) ~~(2)~~ the address of every location from which
7 the applicant proposes to engage in business in this
8 State;

9 (C) ~~(3)~~ the number of manufacturer representatives
10 the applicant requests to maintain in this State; and

11 (D) such ~~(4)~~ any other additional information as
12 the Department may reasonably require by its rule.

13 (a-5) The following manufacturers are ineligible to
14 receive authorization to maintain manufacturer representatives
15 in this State:

16 (1) a manufacturer who owes, at the time of
17 application, any delinquent ~~cigarette~~ taxes that have been
18 determined by law to be due and unpaid under this Act or
19 any other tax Act administered by the Department, unless
20 the applicant has entered into an agreement approved by
21 the Department to pay the amount due;

22 (2) a manufacturer who has had a license revoked
23 within the past 2 years for misconduct relating to stolen
24 or contraband cigarettes or has been convicted of a state
25 or federal crime, punishable by imprisonment of one year
26 or more, relating to stolen or contraband cigarettes;

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1 (3) a manufacturer who manufactures cigarettes,
2 whether in this State or out of this State, and who is
3 neither (i) a participating manufacturer as defined in
4 subsection II(jj) of the "Master Settlement Agreement" as
5 defined in Sections 10 of the Tobacco Product
6 Manufacturers' Escrow Act and the Tobacco Products
7 Manufacturers' Escrow Enforcement Act of 2003; nor (ii) in
8 full compliance with Tobacco Product Manufacturers' Escrow
9 Act and the Tobacco Products Manufacturers' Escrow
10 Enforcement Act of 2003;

11 (3.5) a manufacturer who has been found, after notice
12 and a hearing, to have imported or caused to be imported
13 into the United States for sale or distribution any
14 cigarette in violation of 19 U.S.C. 1681a;

15 (4) a manufacturer who has been found, after notice
16 and a hearing, to have imported or caused to be imported
17 into the United States for sale or distribution or
18 manufactured for sale or distribution in the United States
19 any cigarette that does not fully comply with the Federal
20 Cigarette Labeling and Advertising Act (15 U.S.C. 1331, et
21 seq.);

22 (5) a manufacturer who has been found, after notice
23 and a hearing, to have made a materially ~~material~~ false
24 statement in an application or has failed to produce
25 records required to be maintained by this Act;

26 (6) a manufacturer who has been found, after notice

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1 and hearing, to have violated any Section of this Act; ~~or~~

2 (7) a manufacturer licensed as a distributor under
3 Section 4 of this Act or holding a permit under Section 4b
4 of this Act; or

5 (8) a manufacturer who has delinquent reports under
6 Section 25 of the Tobacco Products Manufacturers' Escrow
7 Enforcement Act of 2003.

8 The Department, upon receipt of an application from a
9 manufacturer who is eligible to maintain manufacturer
10 representatives in this State, shall notify the applicant in
11 writing, not more than 60 days after an application has been
12 received, that the applicant may or may not maintain the
13 requested number of manufacturer representatives in this
14 State. A copy of the notice authorizing a manufacturer to
15 maintain manufacturer representatives in this State shall be
16 available for inspection by the Department at each place of
17 business identified in the application and in the motor
18 vehicle operated by marketing representatives in the course of
19 performing their ~~his or her~~ duties in this State on behalf of
20 the manufacturer.

21 A manufacturer representative shall notify the Department
22 of any change in the information contained on the application
23 form and shall do so within 30 days after any such change.

24 (b) Only directors, officers, and employees of the
25 manufacturer may act as manufacturer representatives in this
26 State. The manufacturer shall provide to the Department the

1 names and addresses of the manufacturer representatives
2 operating in this State and the make, model, and license plate
3 number of each motor vehicle operated by a manufacturer
4 representative in the course of performing their ~~his or her~~
5 duties in this State on behalf of the manufacturer. The
6 following individuals may not act as manufacturer
7 representatives:

8 (1) an individual who is not of good character and
9 reputation in the community in which the individual
10 resides; the Department may consider prior conviction of a
11 felony, but the conviction shall not operate as an
12 absolute bar to licensure;

13 (1.5) an individual who owes any delinquent cigarette
14 taxes that have been determined by law to be due and unpaid
15 under this Act or any other tax Act administered by the
16 Department, unless the individual has entered into an
17 agreement approved by the Department to pay the amount
18 due;

19 (2) an individual who has had a license under this
20 Act, the Cigarette Use Tax Act, the Tobacco Products Tax
21 Act of 1995, or the Cigarette Machine Operator's
22 Occupation Tax Act revoked within the past 2 years for
23 misconduct relating to stolen or contraband cigarettes or
24 has been convicted of a state or federal crime, punishable
25 by imprisonment of one year or more, relating to stolen or
26 contraband cigarettes;

1 (3) an individual who has been found, after notice and
2 a hearing, to have made a materially material false
3 statement in an application or has failed to produce
4 records required to be maintained by this Act; or

5 (4) an individual who has been found, after notice and
6 hearing, to have violated any Section of this Act.

7 (c) Manufacturer representatives may sell to retailers in
8 this State who are licensed under Section 4g of this Act only
9 original packages of cigarettes made, manufactured, or
10 fabricated by the manufacturer and purchased or obtained from
11 a distributor licensed under this Act, or the Cigarette ~~Tax~~
12 Use Tax Act, and on which tax stamps have been affixed.
13 Manufacturer representatives may sell up to 600 stamped
14 original packages of cigarettes in a calendar year, for the
15 purpose of promoting the manufacturer's brands of cigarettes.
16 A manufacturer representative may not possess more than 500
17 stamped original packages of cigarettes made, manufactured, or
18 fabricated by the manufacturer and purchased or obtained from
19 a distributor licensed under this Act or the Cigarette Use Tax
20 Act. Any original packages of cigarettes in the possession of
21 a manufacturer representative that (i) are not made,
22 manufactured, or fabricated by the manufacturer and purchased
23 or obtained from a distributor licensed under this Act or the
24 Cigarette Use Tax Act, other than cigarettes for personal use
25 and consumption, (ii) exceed the maximum quantity of 500
26 original packages of cigarettes, excluding packages of

1 cigarettes for personal use and consumption; (iii) violate
2 Section 3-10 of this Act; or (iv) do not have the proper tax
3 stamps affixed, are contraband and subject to seizure and
4 forfeiture.

5 Manufacturer representatives may sell, on behalf of
6 licensed distributors, stamped original packages of cigarettes
7 to retailers who are licensed under Section 4g of this Act. The
8 manufacturer representative shall provide the distributor with
9 a signed receipt for the cigarettes obtained from the
10 distributor. The distributor shall invoice the licensed
11 retailer, and the licensed retailer shall pay the distributor
12 for all cigarettes provided to licensed retailers by
13 manufacturer representatives on behalf of a distributor.

14 Manufacturer representatives may sell stamped original
15 packages of cigarettes to licensed retailers that are
16 purchased from licensed distributors. Distributors shall
17 provide manufacturer representatives with invoices for stamped
18 original packages of cigarettes sold to manufacturer

19 representatives. Manufacturer representatives shall invoice
20 licensed retailers, and the licensed retailers shall pay the
21 manufacturer representatives for all original packages of
22 cigarettes sold to licensed retailers.

23 (d) Authorizations issued under this Section shall be
24 valid for a period not to exceed one year after issuance, and
25 may be renewed thereafter, unless sooner revoked, canceled, or
26 suspended as provided in this Act. There is no application fee

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1 for the initial and renewal authorization under this Section.
2 Such authorization shall not be transferable or assignable. A
3 person does not acquire any vested interest or compensable
4 property right in an authorization issued under this Section.

5 Any person aggrieved by any decision of the Department
6 under this Section may, within 30 ~~20~~ days after notice of the
7 decision, protest and request a hearing. Upon receiving a
8 request for a hearing, the Department shall give notice to the
9 person requesting the hearing of the time and place fixed for
10 the hearing and shall hold a hearing in conformity with the
11 provisions of this Act and then issue its final administrative
12 decision in the matter to that person. In the absence of a
13 protest and request for a hearing within 30 ~~20~~ days, the
14 Department's decision shall become final without any further
15 determination being made or notice given.

16 (Source: P.A. 97-587, eff. 8-26-11; 98-1055, eff. 1-1-16.)

17 (35 ILCS 130/4g)

18 Sec. 4g. Retailer's license.

19 (a) Beginning on January 1, 2016, no person may engage in
20 business as a retailer of cigarettes in this State without
21 first having obtained a license from the Department.
22 Application for license shall be made to the Department, by
23 electronic means, in a form prescribed by the Department. Each
24 applicant for a license under this Section shall furnish to
25 the Department in a form signed and verified by the applicant

1 under penalty of perjury, in an electronic format established
2 by the Department, the following information:

- 3 (1) the name and address of the applicant;
- 4 (2) the address of the location at which the applicant
5 proposes to engage in business as a retailer of cigarettes
6 in this State; and
- 7 (3) such other additional information as the
8 Department may lawfully require by its rules ~~and~~
9 ~~regulations~~.

10 The annual license fee payable to the Department for each
11 retailer's license shall be \$75. The fee shall be deposited
12 into the Tax Compliance and Administration Fund and shall be
13 for the cost of tobacco retail inspection and contraband
14 tobacco and tobacco smuggling with at least two-thirds of the
15 money being used for contraband tobacco and tobacco smuggling
16 operations and enforcement.

17 Each applicant for a license shall pay the fee to the
18 Department at the time of submitting its application for a
19 license to the Department. The Department shall require an
20 applicant for a license under this Section to electronically
21 file and pay the fee.

22 A separate annual license fee shall be paid for each place
23 of business at which a person who is required to procure a
24 retailer's license under this Section proposes to engage in
25 business as a retailer in Illinois under this Act.

26 (b) The following are ineligible to receive a retailer's

1 license under this Section Act:

- 2 (1) a person who has been convicted of a felony
3 related to the illegal transportation, sale, or
4 distribution of cigarettes, or a tobacco-related felony,
5 under any federal or State law, if the Department, after
6 investigation and consideration of any mitigating factors
7 and evidence of rehabilitation contained in the
8 applicant's record, including those provided in Section 4i
9 of the Act, and a hearing, if requested by the applicant,
10 determines that the person has not been sufficiently

11 rehabilitated to warrant the public trust; or
12 (2) a corporation, if any officer, manager, or
13 director thereof, or any stockholder or stockholders
14 owning in the aggregate more than 5% of the stock of such
15 corporation, would not be eligible to receive a license
16 under this Act for any reason; a limited liability
17 company, if any member or managing member would not be
18 eligible to receive a license under this Act for any
19 reason; a partnership, if any partner would not be
20 eligible to receive a license under this Act for any
21 reason.

22 The Department shall not issue a retailer's license to a
23 retailer unless the retailer is also registered under the
24 Retailers' Occupation Tax Act. A person who obtains a license
25 as a retailer who ceases to do business as specified in the
26 license, or who never commenced business, or whose license is

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1 suspended or revoked, shall immediately surrender the license
2 to the Department.

3 (c) The Department, upon receipt of an application and
4 license fee, in proper form, from a person who is eligible to
5 receive a retailer's license under this Section Act, shall
6 issue to such applicant a license in form as prescribed by the
7 Department. That license shall permit the applicant to whom it
8 is issued to engage in business as a retailer under this Act at
9 the place shown in the his or her application. All licenses
10 issued by the Department under this Section shall be valid for
11 a period not to exceed one year after issuance unless sooner
12 revoked, canceled, or suspended as provided in this Act. No
13 license issued under this Section is transferable or
14 assignable. The license shall be conspicuously displayed in
15 the place of business conducted by the licensee in Illinois
16 under such license.

17 A licensed retailer shall notify the Department of any
18 change in the information contained on the application form,
19 including any change in ownership and shall do so within 30
20 days after the change.

21 ~~The Department shall not issue a retailer's license to a~~
22 ~~retailer unless the retailer is also registered under the~~

23 ~~Retailers' Occupation Tax Act. A person who obtains a license~~
24 ~~as a retailer who ceases to do business as specified in the~~
25 ~~license, or who never commenced business, or whose license is~~
26 ~~suspended or revoked, shall immediately surrender the license~~

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1 ~~to the Department.~~

2 Any person aggrieved by any decision of the Department
3 under this Section may, within 30 days after notice of the
4 decision, protest and request a hearing. Upon receiving a
5 request for a hearing, the Department shall give written
6 notice to the person requesting the hearing of the time and
7 place fixed for the hearing and shall hold a hearing in
8 conformity with the provisions of this Act and then issue its
9 final administrative decision in the matter to that person. In
10 the absence of a protest and request for a hearing within 30
11 days, the Department's decision shall become final without any
12 further determination being made or notice given.
13 (Source: P.A. 98-1055, eff. 1-1-16; 99-78, 7-20-15; 99-192,
14 eff. 1-1-16.)

15 (35 ILCS 130/4i)

16 Sec. 4i. Applicant convictions.

17 (a) The Department shall not require applicants to report
18 the following information and shall not consider the following
19 criminal history records in connection with an application for
20 a license or permit under this Act:

21 (1) Juvenile adjudications of delinquent minors as
22 defined in Section 5-105 of the Juvenile Court Act of
23 1987, subject to the restrictions set forth in Section
24 5-130 of the Juvenile Court Act of 1987.

25 (2) Law enforcement records, court records, and

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1 conviction records of an individual who was 17 years old
2 at the time of the offense and before January 1, 2014,

3 unless the nature of the offense required the individual
4 to be tried as an adult.

5 (3) Records of arrest not followed by a conviction.

6 (4) Convictions overturned by a higher court.

7 (5) Convictions or arrests that have been sealed or
8 expunged.

9 (b) The Department, upon a finding that an applicant for a
10 license or permit was previously convicted of a felony under
11 any federal or State law, shall consider any mitigating
12 factors and evidence of rehabilitation contained in the
13 applicant's record, including any of the following factors and
14 evidence, to determine if the applicant has been sufficiently
15 rehabilitated and whether a prior conviction will impair the
16 ability of the applicant to engage in the position for which a
17 license or permit is sought:

18 (1) the lack of direct relation of the offense for
19 which the applicant was previously convicted to the
20 duties, functions, and responsibilities of the position
21 for which a license or permit is sought;

22 (2) whether 5 years since a felony conviction or 3
23 years since release from confinement for the conviction,
24 whichever is later, have passed without a subsequent
25 conviction;

26 (3) if the applicant was previously licensed or

1 employed in this State or other states or jurisdictions,
2 then the lack of prior misconduct arising from or related
3 to the licensed position or position of employment;

4 (4) the age of the person at the time of the criminal
5 offense;

6 (5) successful completion of sentence and, for
7 applicants serving a term of parole or probation, a
8 progress report provided by the applicant's probation or
9 parole officer that documents the applicant's compliance
10 with conditions of supervision;

11 (6) evidence of the applicant's present fitness and
12 professional character;

13 (7) evidence of rehabilitation or rehabilitative
14 effort during or after incarceration, or during or after a

15 term of supervision, including, but not limited to, a
16 certificate of good conduct under Section 5-5.5-25 of the
17 Unified Code of Corrections or a certificate of relief
18 from disabilities under Section 5-5.5-10 of the Unified
19 Code of Corrections; and

20 (8) any other mitigating factors that contribute to
21 the person's potential and current ability to perform the
22 duties and responsibilities of the position for which a
23 license, permit or employment is sought.

24 (c) If the Department refuses to issue a license or permit
25 to an applicant, then the Department shall notify the
26 applicant of the denial in writing with the following included

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1 in the notice of denial:

2 (1) a statement about the decision to refuse to issue
3 a license or permit;

4 (2) a list of the convictions that the Department
5 determined will impair the applicant's ability to engage
6 in the position for which a license or permit is sought;

7 (3) a list of convictions that formed the sole or
8 partial basis for the refusal to issue a license or
9 permit; and

10 (4) ~~(blank). a summary of the appeal process or the~~
11 ~~earliest the applicant may reapply for a license,~~
12 ~~whichever is applicable.~~

13 (d) No later than May 1 of each year, the Department must
14 prepare, publicly announce, and publish a report of summary
15 statistical information relating to new and renewal license or
16 permit applications during the preceding calendar year. Each
17 report shall show, at a minimum:

18 (1) the number of applicants for a new or renewal
19 license or permit under this Act within the previous
20 calendar year;

21 (2) the number of applicants for a new or renewal
22 license or permit under this Act within the previous
23 calendar year who had any criminal conviction;

24 (3) the number of applicants for a new or renewal
25 license or permit under this Act in the previous calendar
26 year who were granted a license or permit;

1 (4) the number of applicants for a new or renewal
2 license or permit with a criminal conviction who were
3 granted a license or permit under this Act within the
4 previous calendar year;

5 (5) the number of applicants for a new or renewal
6 license or permit under this Act within the previous
7 calendar year who were denied a license or permit; and

8 (6) the number of applicants for a new or renewal
9 license or permit with a criminal conviction who were
10 denied a license or permit under this Act in the previous
11 calendar year in whole or in part because of a prior
12 conviction.

13 (Source: P.A. 100-286, eff. 1-1-18.)

14 (35 ILCS 130/6) (from Ch. 120, par. 453.6)

15 Sec. 6. Revocation, cancellation, or suspension of
16 license.

17 (a) The Department may, after notice and hearing as
18 provided for by this Act, revoke, cancel or suspend the
19 license of any distributor, secondary distributor, or
20 retailer;

21 (1) for the violation of any provision of this Act, or
22 for noncompliance with any provision herein contained, or
23 for any noncompliance with any lawful rule ~~or regulation~~
24 promulgated by the Department under Section 8 of this Act,
25 or

1 (2) because the licensee is determined to be
2 ineligible for a distributor's license for any one or more
3 of the reasons provided for in Section 4 of this Act, or

4 (3) because the licensee is determined to be
5 ineligible for a secondary distributor's license for any
6 one or more of the reasons provided for in Section 4c of

7 this Act, or
8 (4) because the licensee is determined to be
9 ineligible for a retailer's license for any one or more of
10 the reasons provided for in Section 4g of this Act.

11 However, no such license shall be revoked, cancelled or
12 suspended, except after a hearing by the Department with
13 notice to the distributor, secondary distributor, or retailer,
14 as aforesaid, and affording such distributor, secondary
15 distributor, or retailer a reasonable opportunity to appear
16 and defend, and any distributor, secondary distributor, or
17 retailer aggrieved by any decision of the Department with
18 respect thereto may have the determination of the Department
19 judicially reviewed, as herein provided.

20 (b) The Department may revoke, cancel, or suspend the
21 license of any distributor for a violation of the Tobacco
22 Products Manufacturers' Escrow Enforcement Act of 2003 as
23 provided in Section 30 of that Act. The Department may revoke,
24 cancel, or suspend the license of any secondary distributor
25 for a violation of subsection (e) of Section 15 of the Tobacco
26 Products Manufacturers' Escrow Enforcement Act of 2003.

1 (c) If the retailer has a training program that
2 facilitates compliance with minimum-age tobacco laws, the
3 Department shall suspend for 3 days the license of that
4 retailer for a fourth or subsequent violation of the
5 Prevention of Tobacco Use by Persons under 21 Years of Age and
6 Sale and Distribution of Tobacco Products Act, as provided in
7 subsection (a) of Section 2 of that Act. For the purposes of
8 this Section, any violation of subsection (a) of Section 2 of
9 the Prevention of Tobacco Use by Persons under 21 Years of Age
10 and Sale and Distribution of Tobacco Products Act occurring at
11 the retailer's licensed location during a 24-month period
12 shall be counted as a violation against the retailer.

13 (d) If the retailer does not have a training program that
14 facilitates compliance with minimum-age tobacco laws, the
15 Department shall suspend for 3 days the license of that
16 retailer for a second violation of the Prevention of Tobacco
17 Use by Persons under 21 Years of Age and Sale and Distribution
18 of Tobacco Products Act, as provided in subsection (a-5) of

19 Section 2 of that Act.

20 If the retailer does not have a training program that
21 facilitates compliance with minimum-age tobacco laws, the
22 Department shall suspend for 7 days the license of that
23 retailer for a third violation of the Prevention of Tobacco
24 Use by Persons under 21 Years of Age and Sale and Distribution
25 of Tobacco Products Act, as provided in subsection (a-5) of
26 Section 2 of that Act.

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1 If the retailer does not have a training program that
2 facilitates compliance with minimum-age tobacco laws, the
3 Department shall suspend for 30 days the license of a retailer
4 for a fourth or subsequent violation of the Prevention of
5 Tobacco Use by Persons under 21 Years of Age and Sale and
6 Distribution of Tobacco Products Act, as provided in
7 subsection (a-5) of Section 2 of that Act.

8 A training program that facilitates compliance with
9 minimum-age tobacco laws must include at least the following
10 elements: (i) it must explain that only individuals displaying
11 valid identification demonstrating that they are 21 years of
12 age or older shall be eligible to purchase cigarettes or
13 tobacco products and (ii) it must explain where a clerk can
14 check identification for a date of birth. The training may be
15 conducted electronically. Each retailer that has a training
16 program shall require each employee who completes the training
17 program to sign a form attesting that the employee has
18 received and completed tobacco training. The form shall be
19 kept in the employee's file and may be used to provide proof of
20 training.

21 (e) Any distributor, secondary distributor, or retailer
22 aggrieved by any decision of the Department under this Section
23 may, within 30 ~~20~~ days after notice of the decision, protest
24 and request a hearing. Upon receiving a request for a hearing,
25 the Department shall give notice in writing to the
26 distributor, secondary distributor, or retailer requesting the

1 hearing that contains a statement of the charges preferred
2 against the distributor, secondary distributor, or retailer
3 and that states the time and place fixed for the hearing. The
4 Department shall hold the hearing in conformity with the
5 provisions of this Act and then issue its final administrative
6 decision in the matter to the distributor, secondary
7 distributor, or retailer. In the absence of a protest and
8 request for a hearing within 30 ~~20~~ days, the Department's
9 decision shall become final without any further determination
10 being made or notice given.

11 (f) No license so revoked, as aforesaid, shall be reissued
12 to any such distributor, secondary distributor, or retailer
13 within a period of 6 months after the date of the final
14 determination of such revocation. No such license shall be
15 reissued at all so long as the person who would receive the
16 license is ineligible to receive a distributor's license under
17 this Act for any one or more of the reasons provided for in
18 Section 4 of this Act, is ineligible to receive a secondary
19 distributor's license under this Act for any one or more of the
20 reasons provided for in Section 4c of this Act, or is
21 determined to be ineligible for a retailer's license under the
22 Act for any one or more of the reasons provided for in Section
23 4g of this Act.

24 The Department upon complaint filed in the circuit court
25 may by injunction restrain any person who fails, or refuses,
26 to comply with any of the provisions of this Act from acting as

1 a distributor, secondary distributor, or retailer of
2 cigarettes in this State.

3 (Source: P.A. 104-6, eff. 6-16-25.)

4 (35 ILCS 130/21) (from Ch. 120, par. 453.21)

5 Sec. 21. Destruction or use of forfeited property.

6 (a) When any original packages of cigarettes or any
7 cigarette vending device shall have been declared forfeited to
8 the State by the Department, as provided in Section 18a of this
9 Act, and when all proceedings for the judicial review of the

10 Department's decision have terminated, the Department shall,
11 to the extent that its decision is sustained on review,
12 destroy or maintain and use such property in an undercover
13 capacity.

14 (b) The Department may, prior to any destruction of
15 cigarettes, permit the true holder of the trademark rights in
16 the cigarette brand to inspect such contraband cigarettes in
17 order to assist the Department in any investigation regarding
18 such cigarettes.

19 (c) The cost of destruction shall be assessed against the
20 owner or the person in possession of the forfeited property.
21 That cost shall be assessed regardless of whether the
22 forfeiture is determined by hearing or waiver.

23 (d) Any person aggrieved by any decision of the Department
24 under this Section may, within 30 days after notice of the
25 decision, protest and request a hearing. Upon receiving a

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1 written request for a hearing, the Department shall give
2 notice to the person requesting the hearing of the time and
3 place fixed for the hearing and shall hold a hearing in
4 conformity with the provisions of this Act and then issue its
5 final administrative decision in the matter to that person. In
6 the absence of a protest and request for a hearing within 30
7 days, the Department's decision shall become final without any
8 further determination being made or notice given. If a hearing
9 has already been set pursuant to Section 18a or Section 6 of
10 this Act, all issues related to the cost of destruction shall
11 be heard simultaneously.

12 (Source: P.A. 94-776, eff. 5-19-06; 95-1053, eff. 1-1-10.)

13 (35 ILCS 130/9c rep.)

14 Section 80-15. The Cigarette Tax Act is amended by
15 repealing Section 9c.

16 Section 80-20. The Cigarette Use Tax Act is amended by
17 changing Sections 4, 4b, 6, 7, 7a, and 27 as follows:

18 (35 ILCS 135/4) (from Ch. 120, par. 453.34)

19 Sec. 4. Distributor's license.

20 (a) A distributor maintaining a place of business in this
21 State, if required to procure a license or allowed to obtain a
22 permit as a distributor under the Cigarette Tax Act, need not
23 obtain an additional license or permit under this Section Act,

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1 but shall be deemed to be sufficiently licensed or registered
2 by virtue of ~~his~~ being licensed or registered under the
3 Cigarette Tax Act.

4 Every distributor maintaining a place of business in this
5 State, if not required to procure a license or allowed to
6 obtain a permit as a distributor under the Cigarette Tax Act,
7 shall make an a-verified application to the Department, by
8 electronic means, in (upon a form prescribed and furnished by
9 the Department) for a license to act as a distributor under
10 this Section. Each applicant for a license under this Section
11 shall furnish to the Department in a form signed and verified
12 by the applicant under penalty of perjury, in an electronic
13 format established by the Department, the following: Act. In
14 ~~completing such application, the applicant shall furnish such~~
15 ~~information as the Department may reasonably require~~

16 (1) a statement that the applicant will fully comply
17 with the Tobacco Products Manufacturers' Escrow
18 Enforcement Act of 2003; and

19 (2) the following information:

20 (A) the name and address of the applicant;

21 (B) the address of the location at which the
22 applicant proposes to engage in business as a
23 distributor of cigarettes in this State; and

24 (C) such other additional information as the
25 Department may reasonably require by its rules.

26 The ~~annual~~ license fee payable to the Department for the

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1 initial and each renewal distributor's license shall be \$250.
2 The purpose of such initial and renewal ~~annual~~ license fees

3 ~~fee~~ is to defray the cost, to the Department, of serializing
4 cigarette tax stamps. The applicant for license shall pay such
5 fee to the Department at the time of submitting the
6 application for license to the Department.

7 Through June 30, 2027, such ~~Such~~ applicant shall file, with
8 ~~the his~~ application, a joint and several bond. Such bond shall
9 be executed to the Department of Revenue, with good and
10 sufficient surety or sureties residing or licensed to do
11 business within the State of Illinois, in the amount of
12 \$2,500, conditioned upon the true and faithful compliance by
13 the licensee with all of the provisions of this Act. Such bond,
14 or a reissue thereof, or a substitute therefor, shall be kept
15 in effect during the entire period covered by the license.
16 Beginning July 1, 2027, applicants are no longer required to
17 file a bond with their application. The Department shall
18 discharge any surety and shall release and return any bond
19 provided to it by a taxpayer under this Section within 90 days
20 after July 1, 2027, provided that the taxpayer is not
21 delinquent or deficient in the payment of tax liability.

22 A separate application for license shall be made and ~~and~~ a
23 separate ~~annual~~ license fee paid, ~~and a separate bond filed,~~
24 for each place of business at or from which the applicant
25 proposes to act as a distributor under this Section Act and for
26 which the applicant is not required to procure a license or

1 allowed to obtain a permit as a distributor under the
2 Cigarette Tax Act.

3 (b) The following are ineligible to receive a
4 distributor's license under this Section Act:

5 (1) a person who is not of good character and
6 reputation in the community in which the person he
7 resides; the Department may consider prior conviction of a
8 felony, but, except as provided in paragraph (2), the
9 conviction shall not operate as an absolute bar to
10 licensure;

11 (2) a person who has been convicted of a felony under
12 any ~~federal~~ Federal or State law, if the Department, after
13 investigation and consideration of any mitigating factors
14 and evidence of rehabilitation contained in the

15 applicant's record, including those provided in Section 4i
16 of the Cigarette Tax Act, and a hearing, if requested by
17 the applicant, determines that such person has not been
18 sufficiently rehabilitated to warrant the public trust and
19 the conviction will impair the ability of the person to
20 engage in the position for which a license is sought;

21 (3) a corporation, if any officer, manager, or
22 director thereof, or any stockholder or stockholders
23 owning in the aggregate more than 5% of the stock of such
24 corporation, would not be eligible to receive a license
25 hereunder for any reason;

26 (4) a person who has delinquent reports under Section

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1 25 of the Tobacco Products Manufacturers' Escrow
2 Enforcement Act of 2003; or

3 (5) a person, or any person who owns more than 15% ~~15~~
4 ~~percent~~ of the ownership interests in a person or a
5 related party who:

6 (A) ~~(a)~~ owes, at the time of application, any
7 delinquent ~~cigarette~~ taxes that have been determined
8 by law to be due and unpaid under this Act or any other
9 tax Act administered by the Department, unless the
10 license applicant has entered into an agreement
11 approved by the Department to pay the amount due;

12 (B) ~~(b)~~ had a license under this Act, the
13 Cigarette Tax Act, the Tobacco Products Tax Act of
14 1995, or the Cigarette Machine Operator's Occupation
15 Tax Act revoked within the past 2 years by the
16 Department for misconduct relating to stolen or
17 contraband cigarettes or has been convicted of a State
18 or federal crime, punishable by imprisonment of one
19 year or more, relating to stolen or contraband
20 cigarettes;

21 (C) ~~(c)~~ manufactures cigarettes, whether in this
22 State or out of this State, and who is neither (i) a
23 participating manufacturer as defined in subsection
24 II(jj) of the "Master Settlement Agreement" as defined
25 in Sections 10 of the Tobacco Product Products
26 Manufacturers' Escrow Act and the Tobacco Products

1 Manufacturers' Escrow Enforcement Act of 2003 (~~30 ILCS~~
2 ~~168/10 and 30 ILCS 167/10~~); nor (ii) in full
3 compliance with Tobacco Product ~~Products~~
4 Manufacturers' Escrow Act and the Tobacco Products
5 Manufacturers' Escrow Enforcement Act of 2003 (~~30 ILCS~~
6 ~~168/ and 30 ILCS 167/~~);

7 (D) ~~(d)~~ has been found by the Department, after
8 notice and a hearing, to have imported or caused to be
9 imported into the United States for sale or
10 distribution any cigarette in violation of 19 U.S.C.
11 1681a;

12 (E) ~~(e)~~ has been found by the Department, after
13 notice and a hearing, to have imported or caused to be
14 imported into the United States for sale or
15 distribution or manufactured for sale or distribution
16 in the United States any cigarette that does not fully
17 comply with the Federal Cigarette Labeling and
18 Advertising Act (15 U.S.C. 1331, et seq.); or

19 (F) ~~(f)~~ has been found by the Department, after
20 notice and a hearing, to have made a materially
21 ~~material~~ false statement in the application or has
22 failed to produce records required to be maintained by
23 this Act.

24 (c) Upon receipt approval of an ~~such~~ application ~~and bond~~
25 and payment of the required ~~annual~~ license fee from a person
26 who is eligible to receive a distributor's license under this

1 Section, 7, the Department shall issue a license to the
2 applicant. Such license shall permit the applicant to engage
3 in business as a distributor at or from the place shown in the
4 ~~his~~ application. All licenses issued by the Department under
5 this Section Act shall be valid for a period not to exceed one
6 year after issuance unless sooner revoked, canceled, or

7 suspended as in this Act provided. No license issued under
8 this Section Act is transferable or assignable. Such license
9 shall be conspicuously displayed at the place of business for
10 which it is issued.

11 No distributor licensee acquires any vested interest or
12 compensable property right in a license issued under this
13 Section Act.

14 A licensed distributor shall notify the Department of any
15 change in the information contained on the application form,
16 including any change in ownership, and shall do so within 30
17 days after any such change.

18 Any person aggrieved by any decision of the Department
19 under this Section may, within 30 20 days after notice of the
20 decision, protest and request a hearing. Upon receiving a
21 request for a hearing, the Department shall give notice to the
22 person requesting the hearing of the time and place fixed for
23 the hearing and shall hold a hearing in conformity with the
24 provisions of this Act and then issue its final administrative
25 decision in the matter to that person. In the absence of a
26 protest and request for a hearing within 30 20 days, the

1 Department's decision shall become final without any further
2 determination being made or notice given.

3 (Source: P.A. 95-1053, eff. 1-1-10; 96-782, eff. 1-1-10.)

4 (35 ILCS 135/4b)

5 Sec. 4b. Secondary distributor's license.

6 (a) No person may engage in business as a secondary
7 distributor of cigarettes in this State without first having
8 obtained a license ~~therefor~~ from the Department. A secondary
9 distributor maintaining a place of business within this State,
10 if required to procure a license as a secondary distributor
11 under the Cigarette Tax Act, need not obtain an additional
12 license or permit under this Section Act, but shall be deemed
13 to be sufficiently licensed or registered by virtue of ~~his~~
14 being licensed or registered under the Cigarette Tax Act.

15 Every secondary distributor maintaining a place of
16 business in this State, if not required to procure a license
17 under the Cigarette Tax Act, shall make application for a

18 ~~license, by electronic means, in on a form as furnished and~~
19 ~~prescribed by the Department. Such applicant shall furnish the~~
20 ~~following information to the Department in on a form signed~~
21 ~~and verified by the applicant under penalty of perjury, in an~~
22 ~~electronic format established by the Department, the~~
23 ~~following:~~

24 (1) a statement that the applicant will fully comply
25 with the Tobacco Products Manufacturers' Escrow

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1 Enforcement Act of 2003; and

2 (2) the following information:

3 (A) the name and address of the applicant;

4 (B) (2) the address of the location at which the
5 applicant proposes to engage in business as a
6 secondary distributor of cigarettes in this State; and

7 (C) (3) such other additional information as the
8 Department may reasonably require by its rules.

9 The ~~annual~~ license fee payable to the Department for the
10 initial and each renewal secondary distributor's license shall
11 be \$250. The applicant for license shall pay such fee to the
12 Department at the time of submitting the application for
13 license to the Department.

14 A separate application for license shall be made and a
15 separate ~~annual~~ license fee paid, for each place of business
16 at or from which the applicant proposes to act as a secondary
17 distributor under this Section Act and for which the applicant
18 is not required to procure a license as a secondary
19 distributor under the Cigarette Tax Act.

20 (b) The following are ineligible to receive a secondary
21 distributor's license under this Section Act:

22 (1) a person who is not of good character and
23 reputation in the community in which the person he
24 resides; the Department may consider prior conviction of a
25 felony, but, except as provided in paragraph (2), the
26 conviction shall not operate as an absolute bar to

1 licensure;

2 (2) a person who has been convicted of a felony under
3 any ~~federal~~ Federal or State law, if the Department, after
4 investigation and consideration of any mitigating factors
5 and evidence of rehabilitation contained in the
6 applicant's record, including those in Section 4i of the
7 Cigarette Tax Act, and a hearing, if requested by the
8 applicant, determines that such person has not been
9 sufficiently rehabilitated to warrant the public trust and
10 the conviction will impair the ability of the person to
11 engage in the position for which a license is sought;

12 (3) a corporation, if any officer, manager, or
13 director thereof, or any stockholder or stockholders
14 owning in the aggregate more than 5% of the stock of such
15 corporation, would not be eligible to receive a license
16 under this Act hereunder for any reason;

17 (4) a person who manufactures cigarettes, whether in
18 this State or out of this State, and who is neither (i) a
19 participating manufacturer as defined in subsection II(jj)
20 of the "Master Settlement Agreement" as defined in
21 Sections 10 of the Tobacco Product Manufacturers' Escrow
22 Act and the Tobacco Products Manufacturers' Escrow
23 Enforcement Act of 2003; nor (ii) in full compliance with
24 Tobacco Product Manufacturers' Escrow Act and the Tobacco
25 Products Manufacturers' Escrow Enforcement Act of 2003;

26 (5) a person who has delinquent reports under Section

1 25 of the Tobacco Products Manufacturers' Escrow
2 Enforcement Act of 2003; or

3 (6) a person, or any person who owns more than 15% 15
4 percent of the ownership interests in a person or a
5 related party who:

6 (A) owes, at the time of application, any
7 delinquent ~~cigarette~~ taxes that have been determined
8 by law to be due and unpaid under this Act or any other
9 tax Act administered by the Department, unless the
10 license applicant has entered into an agreement

approved by the Department to pay the amount due;
(B) had a license under this Act, ~~or the Cigarette Tax Act, the Tobacco Products Tax Act of 1995, or the Cigarette Machine Operator's Occupation Tax Act~~ revoked within the past 2 years by the Department for misconduct relating to stolen or contraband cigarettes or has been convicted of a State or federal crime, punishable by imprisonment of one year or more, relating to stolen or contraband cigarettes;

(C) has been found by the Department, after notice and a hearing, to have imported or caused to be imported into the United States for sale or distribution any cigarette in violation of 19 U.S.C. 1681a;

(D) has been found by the Department, after notice and a hearing, to have imported or caused to be

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imported into the United States for sale or distribution or manufactured for sale or distribution in the United States any cigarette that does not fully comply with the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1331, et seq.); or

(E) has been found by the Department, after notice and a hearing, to have made a materially material false statement in the application or has failed to produce records required to be maintained by this Act.

~~(c) The Department, upon receipt of an~~ Upon approval of such application and payment of the required annual license fee, from a person who is eligible to receive a secondary distributor's license under this Section, ~~the Department~~ shall issue a license to the applicant. Such license shall permit the applicant to engage in business as a secondary distributor at or from the place shown in the ~~his~~ application. All licenses issued by the Department under this Section Act shall be valid for a period not to exceed one year after issuance unless sooner revoked, canceled or suspended as provided in this Act ~~provided~~. No license issued under this Section Act is transferable or assignable. Such license shall be conspicuously displayed at the place of business for which it

23 is issued.

24 No secondary distributor licensee acquires any vested
25 interest or compensable property right in a license issued
26 under this Section Act.

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1 A licensed secondary distributor shall notify the
2 Department of any change in the information contained on the
3 application form, including any change in ownership, and shall
4 do so within 30 days after any such change.

5 Any person aggrieved by any decision of the Department
6 under this Section may, within 30 ~~20~~ days after notice of the
7 decision, protest and request a hearing. Upon receiving a
8 request for a hearing, the Department shall give notice to the
9 person requesting the hearing of the time and place fixed for
10 the hearing and shall hold a hearing in conformity with the
11 provisions of this Act and then issue its final administrative
12 decision in the matter to that person. In the absence of a
13 protest and request for a hearing within 30 ~~20~~ days, the
14 Department's decision shall become final without any further
15 determination being made or notice given.

16 (Source: P.A. 96-1027, eff. 7-12-10.)

17 (35 ILCS 135/6) (from Ch. 120, par. 453.36)

18 Sec. 6. Revocation, cancellation, or suspension of
19 license.

20 (a) The Department may, after notice and hearing as
21 provided for by this Act, revoke, cancel or suspend the
22 license of any distributor or secondary distributor for the
23 violation of any provision of this Act, or for non-compliance
24 with any provision herein contained, or for any non-compliance
25 with any lawful rule ~~or regulation~~ promulgated by the

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1 Department under Section 21 of this Act, or because the
2 licensee is determined to be ineligible for a distributor's

3 license for any one or more of the reasons provided for in
4 Section 4 of this Act, or because the licensee is determined to
5 be ineligible for a secondary distributor's license for any
6 one or more of the reasons provided for in Section 4b or
7 Section 7a of this Act. However, no such license shall be
8 revoked, canceled or suspended, except after a hearing by the
9 Department with notice to the distributor or secondary
10 distributor, as aforesaid, and affording such distributor or
11 secondary distributor a reasonable opportunity to appear and
12 defend, and any distributor or secondary distributor aggrieved
13 by any decision of the Department with respect thereto may
14 have the determination of the Department judicially reviewed,
15 as herein provided.

16 (b) The Department may revoke, cancel, or suspend the
17 license of any distributor for a violation of the Tobacco
18 Products Manufacturers' Escrow Enforcement Act of 2003 as
19 provided in Section 30 of that Act. The Department may revoke,
20 cancel, or suspend the license of any secondary distributor
21 for a violation of subsection (e) of Section 15 of the Tobacco
22 Products Manufacturers' Escrow Enforcement Act of 2003.

23 (c) Any distributor or secondary distributor aggrieved by
24 any decision of the Department under this Section may, within
25 30 ~~20~~ days after notice of the decision, protest and request a
26 hearing. Upon receiving a request for a hearing, the

1 Department shall give notice in writing to the distributor or
2 secondary distributor requesting the hearing that contains a
3 statement of the charges preferred against the distributor or
4 secondary distributor and that states the time and place fixed
5 for the hearing. The Department shall hold the hearing in
6 conformity with the provisions of this Act and then issue its
7 final administrative decision in the matter to the distributor
8 or secondary distributor. In the absence of a protest and
9 request for a hearing within 30 ~~20~~ days, the Department's
10 decision shall become final without any further determination
11 being made or notice given.

12 No license so revoked, shall be reissued to any such
13 distributor or secondary distributor within a period of 6
14 months after the date of the final determination of such

15 revocation. No such license shall be reissued at all so long as
16 the person who would receive the license is ineligible to
17 receive a distributor's license under this Act for any one or
18 more of the reasons provided for in Section 4 of this Act or is
19 ineligible to receive a secondary distributor's license under
20 this Act for any one or more of the reasons provided for in
21 Section 4b and Section 7a of this Act.

22 The Department upon complaint filed in the circuit court
23 may by injunction restrain any person who fails, or refuses,
24 to comply with this Act from acting as a distributor or
25 secondary distributor of cigarettes in this State.

26 (Source: P.A. 104-6, eff. 6-16-25.)

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1 (35 ILCS 135/7) (from Ch. 120, par. 453.37)

2 Sec. 7. Distributor's permits.

3 (a) Cigarettes in original packages contained inside a
4 sealed transparent wrapper.

5 (1) The Department may, in its discretion, upon
6 application, issue permits authorizing the collection of
7 the tax herein imposed by those out-of-State cigarette
8 manufacturers who are not required to be licensed as
9 distributors of cigarettes in this State, but who elect to
10 qualify under this subsection Act as distributors of
11 cigarettes in this State, and who, to the satisfaction of
12 the Department, furnish adequate security to insure
13 collection and payment of the tax, provided that any such
14 permit shall extend only to cigarettes which such
15 permittee manufacturer places in original packages that
16 are contained inside a sealed transparent wrapper, and
17 provided that no such permit shall be issued under this
18 subsection Act to such a manufacturer who has obtained the
19 permit provided for in Section 4b(a) of the Cigarette Tax
20 Act. Application for a permit shall be made to the
21 Department, by electronic means, in a form prescribed by
22 the Department. Each applicant for a permit under this
23 subsection shall furnish to the Department in a form
24 signed and verified by the applicant under penalty of
25 perjury, in an electronic format established by the

1 ~~Department, the following: Such distributor shall be~~
2 ~~issued, without charge, a permit to collect such tax in~~
3 ~~such manner, and subject to such reasonable regulations~~
4 ~~and agreements as the Department shall prescribe~~

5 (A) a statement that the applicant will fully
6 comply with the Tobacco Products Manufacturers' Escrow
7 Enforcement Act of 2003; and

8 (B) the following information:

9 (i) the name and address of the applicant;

10 (ii) the address of the location at which the
11 applicant proposes to engage in business; and

12 (iii) such other additional information as the
13 Department may reasonably require by its rules.

14 When so authorized, it shall be the duty of such
15 distributor to collect the tax upon all cigarettes which the
16 distributor ~~he~~ delivers ~~(or causes to be delivered)~~ within
17 this State to licensed distributors, in the same manner and
18 subject to the same requirements as a distributor maintaining
19 a place of business within this State. ~~Such permit shall be in~~
20 ~~such form as the Department may prescribe and shall not be~~
21 ~~transferable or assignable.~~

22 (2) The following are ineligible to receive a
23 distributor's permit under this subsection Act:

24 (A) (1) a person who is not of good character and
25 reputation in the community in which the person he
26 resides; the Department may consider prior conviction

1 of a felony, but, except as provided in paragraph (B),
2 the conviction shall not operate as an absolute bar to
3 licensure;

4 (B) (2) a person who has been convicted of a felony
5 under any federal Federal or State law, if the
6 Department, after investigation and consideration of

7 any mitigating factors and evidence of rehabilitation
8 contained in the applicant's record, including those
9 provided in Section 4i of the Cigarette Tax Act, and a
10 hearing, if requested by the applicant, determines
11 that such person has not been sufficiently
12 rehabilitated to warrant the public trust and the
13 conviction will impair the ability of the person to
14 engage in the position for which a license is sought;

15 (C) ~~(3)~~ a corporation, if any officer, manager or
16 director thereof, or any stockholder or stockholders
17 owning in the aggregate more than 5% of the stock of
18 such corporation, would not be eligible to receive a
19 permit under this Act for any reason;

20 (D) a person who has delinquent reports under
21 Section 25 of the Tobacco Products Manufacturers'
22 Escrow Enforcement Act of 2003; or

23 (E) a person, or any person who owns more than 15%
24 of the ownership interests in a person or a related
25 party who:

26 (i) owes, at the time of application, any

1 delinquent taxes that have been determined by law
2 to be due and unpaid under this Act or any other
3 tax Act administered by the Department, unless the
4 applicant has entered into an agreement approved
5 by the Department to pay the amount due;

6 (ii) had a license under this Act, the
7 Cigarette Use Tax Act, the Tobacco Products Tax
8 Act of 1995, or the Cigarette Machine Operator's
9 Occupation Tax Act revoked within the past 2 years
10 by the Department for misconduct relating to
11 stolen or contraband cigarettes or has been
12 convicted of a State or federal crime, punishable
13 by imprisonment of one year or more, relating to
14 stolen or contraband cigarettes;

15 (iii) manufactures cigarettes, whether in this
16 State or out of this State, and who is neither (a)
17 a participating manufacturer as defined in
18 subsection II(jj) of the "Master Settlement

19 Agreement" as defined in Sections 10 of the
20 Tobacco Product Manufacturers' Escrow Act and the
21 Tobacco Products Manufacturers' Escrow Enforcement
22 Act of 2003; nor (b) in full compliance with
23 Tobacco Product Manufacturers' Escrow Act and the
24 Tobacco Products Manufacturers' Escrow Enforcement
25 Act of 2003;
26 (iv) has been found by the Department, after

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1 notice and a hearing, to have imported or caused
2 to be imported into the United States for sale or
3 distribution any cigarette in violation of 19
4 U.S.C. 1681a;

5 (v) has been found by the Department, after
6 notice and a hearing, to have imported or caused
7 to be imported into the United States for sale or
8 distribution or manufactured for sale or
9 distribution in the United States any cigarette
10 that does not fully comply with the Federal
11 Cigarette Labeling and Advertising Act (15 U.S.C.
12 1331, et seq.); or

13 (vi) has been found by the Department, after
14 notice and a hearing, to have made a materially
15 false statement in the application or has failed
16 to produce records required to be maintained by
17 this Act.

18 (3) There is no application fee for the initial and
19 renewal permits. A permittee shall notify the Department
20 of any change in the information contained on the
21 application form, including any change in ownership, and
22 shall do so within 30 days after any such change. Such
23 permit shall not be transferable or assignable. A
24 permittee does not acquire any vested interest or
25 compensable property right in a permit issued under this
26 subsection.

1 With respect to cigarettes which come within the scope of
2 such a permit and which any such permittee delivers or causes
3 to be delivered in Illinois to licensed distributors, such
4 permittee shall collect the tax imposed by this Act and shall
5 remit such tax to the Department by the 5th day of each month
6 for the preceding calendar month. Each such remittance shall
7 be accompanied by a return filed with the Department ~~in~~ ~~on~~ a
8 ~~form to be prescribed and furnished~~ by the Department and
9 shall disclose such information as the Department may lawfully
10 require. Information that the Department may lawfully require
11 includes information related to the uniform regulation and
12 taxation of cigarettes. All returns and supporting schedules
13 required to be filed under this subsection and all payments
14 required to be made under this subsection shall be by
15 electronic means in the form prescribed by the Department ~~The~~
16 ~~Department may promulgate rules to require that the~~
17 ~~permittee's return be accompanied by appropriate~~
18 ~~computer-generated magnetic media supporting schedule data in~~
19 ~~the format prescribed by the Department, unless, as provided~~
20 ~~by rule, the Department grants an exception upon petition of~~
21 ~~the permittee.~~ Each such return shall be accompanied by a copy
22 of each invoice rendered by the permittee to any licensed
23 distributor to whom the permittee delivered cigarettes of the
24 type covered by the permit ~~(or caused cigarettes of the type~~
25 ~~covered by the permit to be delivered)~~ in Illinois during the
26 period covered by such return.

1 Such authority and permit may be suspended, canceled, or
2 revoked when, at any time, the Department considers that the
3 security given is inadequate, or that such tax can more
4 effectively be collected from the person using such cigarettes
5 in this State or through distributors located in this State,
6 or whenever the permittee violates any provision of this Act
7 or any lawful rule ~~or regulation~~ issued by the Department
8 pursuant to this Act or is determined to be ineligible for a
9 distributor's permit under this Act as provided in this
10 Section, or whenever the permittee shall notify the Department

11 in writing ~~of his desire~~ to have the permit canceled. The
12 Department shall have the power, in its discretion, to issue a
13 new permit after such suspension, cancellation, or revocation,
14 except when the person who would receive the permit is
15 ineligible to receive a distributor's permit under this Act.

16 All permits issued by the Department under this subsection
17 ~~Act~~ shall be valid for not to exceed one year after issuance
18 unless sooner revoked, canceled or suspended as in this Act
19 provided.

20 Any person aggrieved by any decision of the Department
21 under this subsection may, within 30 days after notice of the
22 decision, protest and request a hearing. Upon receiving a
23 request for a hearing, the Department shall give notice to the
24 person requesting the hearing of the time and place fixed for
25 the hearing and shall hold a hearing in conformity with the
26 provisions of this Act and then issue its final administrative

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1 decision in the matter to that person. In the absence of a
2 protest and request for a hearing within 30 days, the
3 Department's decision shall become final without any further
4 determination being made or notice given.

5 (b) Unstamped original packages of cigarettes for
6 distribution to the public for promotional purposes without
7 consideration.

8 (1) Out-of-state cigarette manufacturers who are not
9 required to be licensed as distributors of cigarettes in
10 this State and who do not elect to obtain approval under
11 subsection (a) to pay the tax imposed by this Act, but who
12 elect to qualify under this subsection Act as distributors
13 of cigarettes in this State for purposes of shipping and
14 delivering unstamped original packages of cigarettes into
15 this State to licensed distributors, shall obtain a permit
16 from the Department, provided that no such permit shall be
17 issued under this subsection to a manufacturer who has
18 obtained the permit provided for in Section 4b(b) of the
19 Cigarette Tax Act. ~~These permits shall be issued without~~
20 ~~charge in such form as the Department may prescribe and~~
21 ~~shall not be transferable or assignable.~~

22 Application for permit shall be made to the

23 Department, by electronic means, in a form prescribed by
24 the Department. Each applicant for a permit under this
25 subsection shall furnish to the Department in a form
26 signed and verified by the applicant under penalty of

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1 perjury, in an electronic format established by the
2 Department, the following:

3 (A) a statement that the applicant will fully
4 comply with the Tobacco Products Manufacturers' Escrow
5 Enforcement Act of 2003; and

6 (B) the following information:

7 (i) the name and address of the applicant;

8 (ii) the address of the location at which the
9 applicant proposes to engage in business; and

10 (iii) such other additional information as the
11 Department may reasonably require by its rules.

12 (2) The following are ineligible to receive a
13 distributor's permit under this subsection:

14 (A) ~~(1)~~ a person who is not of good character and
15 reputation in the community in which the person ~~he or~~
16 ~~she~~ resides; the Department may consider prior
17 conviction of a felony, but, except as provided in
18 paragraph (B), the conviction shall not operate as an
19 absolute bar to licensure;

20 (B) ~~(2)~~ a person who has been convicted of a felony
21 under any federal or State law, if the Department,
22 after investigation and consideration of any
23 mitigating factors and evidence of rehabilitation
24 contained in the applicant's record, including those
25 provided in Section 4i of the Cigarette Tax Act, and a
26 hearing, if requested by the applicant, determines

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1 that the person has not been sufficiently
2 rehabilitated to warrant the public trust and the

3 conviction will impair the ability of the person to
4 engage in the position for which a permit is sought;
5 and

6 (C) ~~(3)~~ a corporation, if any officer, manager or
7 director thereof, or any stockholder or stockholders
8 owning in the aggregate more than 5% of the stock of
9 the corporation, would not be eligible to receive a
10 permit under this Act for any reason;

11 (D) a person who has delinquent reports under
12 Section 25 of the Tobacco Products Manufacturers'
13 Escrow Enforcement Act of 2003 (30 ILCS 167/25); or

14 (E) a person, or any person who owns more than 15%
15 of the ownership interests in a person or a related
16 party who:

17 (i) owes, at the time of application, any
18 delinquent taxes that have been determined by law
19 to be due and unpaid under this Act or any other
20 tax Act administered by the Department, unless the
21 applicant has entered into an agreement approved
22 by the Department to pay the amount due;

23 (ii) had a license under this Act, the
24 Cigarette Tax Act, the Tobacco Products Tax Act of
25 1995, or the Cigarette Machine Operator's
26 Occupation Tax Act revoked within the past 2 years

1 by the Department for misconduct relating to
2 stolen or contraband cigarettes or has been
3 convicted of a State or federal crime, punishable
4 by imprisonment of one year or more, relating to
5 stolen or contraband cigarettes;

6 (iii) manufactures cigarettes, whether in this
7 State or out of this State, and who is neither (a)
8 a participating manufacturer as defined in
9 subsection II(jj) of the "Master Settlement
10 Agreement" as defined in Sections 10 of the
11 Tobacco Product Manufacturers' Escrow Act and the
12 Tobacco Products Manufacturers' Escrow Enforcement
13 Act of 2003; nor (b) in full compliance with
14 Tobacco Product Manufacturers' Escrow Act and the

Tobacco Products Manufacturers' Escrow Enforcement Act of 2003;

(iv) has been found by the Department, after notice and a hearing, to have imported or caused to be imported into the United States for sale or distribution any cigarette in violation of 19 U.S.C. 1681a;

(v) has been found by the Department, after notice and a hearing, to have imported or caused to be imported into the United States for sale or distribution or manufactured for sale or distribution in the United States any cigarette

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that does not fully comply with the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1331, et seq.); or

(vi) has been found by the Department, after notice and a hearing, to have made a materially false statement in the application or has failed to produce records required to be maintained by this Act.

(3) There is no application fee for the initial and renewal permits. A permittee shall notify the Department of any change in the information contained on the application form, including any change in ownership, and shall do so within 30 days after any such change. Such permit shall not be transferable or assignable. A permittee does not acquire any vested interest or compensable property right in a permit issued under this subsection.

With respect to original packages of cigarettes such permittee delivers or causes to be delivered in Illinois and distributed to the public for promotional purposes without consideration, the permittee shall pay the tax imposed by this Act by remitting the amount thereof to the Department by the 5th day of each month covering cigarettes shipped or otherwise delivered in Illinois for those purposes during the preceding calendar month. The permittee, before delivering those cigarettes or causing those cigarettes to be delivered in this

1 State, shall evidence ~~the his or her~~ obligation to remit the
2 taxes due with respect to those cigarettes by imprinting
3 language to be prescribed by the Department on each original
4 package of cigarettes, in such place thereon and in such
5 manner also to be prescribed by the Department. The imprinted
6 language shall acknowledge the permittee's payment of or
7 liability for the tax imposed by this Act with respect to the
8 distribution of those cigarettes.

9 With respect to cigarettes such permittee delivers or
10 causes to be delivered in Illinois to Illinois licensed
11 distributors or distributed to the public for promotional
12 purposes, the permittee shall, by the 5th day of each month,
13 file with the Department, a report covering cigarettes shipped
14 or otherwise delivered in Illinois to licensed distributors or
15 distributed to the public for promotional purposes during the
16 preceding calendar month on a form to be prescribed and
17 furnished by the Department and shall disclose such other
18 information as the Department may lawfully require.

19 Information that the Department may lawfully require includes
20 information related to the uniform regulation and taxation of
21 cigarettes. All reports required to be filed under this
22 subsection and all payments required to be made under this
23 subsection shall be by electronic means in the form prescribed
24 by the Department ~~The Department may promulgate rules to~~
25 ~~require that the permittee's report be accompanied by~~
26 ~~appropriate computer-generated magnetic media supporting~~

1 ~~schedule data in the format prescribed by the Department,~~
2 ~~unless, as provided by rule, the Department grants an~~
3 ~~exception upon petition of the permittee.~~ Each such report
4 shall be accompanied by a copy of each invoice rendered by the
5 permittee to any purchaser to whom the permittee delivered
6 cigarettes of the type covered by the permit ~~for~~ caused

7 cigarettes of the type covered by the permit to be delivered)
8 in Illinois during the period covered by such report.

9 Such permit may be suspended, canceled, or revoked
10 whenever the permittee violates any provision of this Act or
11 any lawful rule ~~or regulation~~ issued by the Department
12 pursuant to this Act, is determined to be ineligible for a
13 distributor's permit under this Act as provided in this
14 subsection ~~Section~~, or notifies the Department in writing ~~of~~
15 ~~his or her desire~~ to have the permit canceled. The Department
16 shall have the power, in its discretion, to issue a new permit
17 after such suspension, cancellation, or revocation, except
18 when the person who would receive the permit is ineligible to
19 receive a distributor's permit under this Act.

20 All permits issued by the Department under this subsection
21 ~~Act~~ shall be valid for a period not to exceed one year after
22 issuance unless sooner revoked, canceled, or suspended as in
23 this Act provided.

24 Any person aggrieved by any decision of the Department
25 under this subsection may, within 30 days after notice of the
26 decision, protest and request a hearing. Upon receiving a

1 request for a hearing, the Department shall give notice to the
2 person requesting the hearing of the time and place fixed for
3 the hearing and shall hold a hearing in conformity with the
4 provisions of this Act and then issue its final administrative
5 decision in the matter to that person. In the absence of a
6 protest and request for a hearing within 30 days, the
7 Department's decision shall become final without any further
8 determination being made or notice given.

9 (Source: P.A. 96-782, eff. 1-1-10.)

10 (35 ILCS 135/7a)

11 Sec. 7a. Discretionary secondary distributor's license.

12 (a) The Department may, in its discretion, upon
13 application, issue a secondary distributor's license to
14 persons who are not required to be licensed as secondary
15 distributors of cigarettes in this State, but who elect to
16 qualify under this Section ~~Act~~ as discretionary secondary
17 distributors of cigarettes. Such discretionary secondary

18 distributor shall be issued, ~~without charge,~~ a license to make
19 sales for resale to Illinois retailers, subject to such
20 reasonable requirements as the Department shall prescribe.
21 Each applicant for a license under this Section shall furnish
22 ~~the following information~~ to the Department, by electronic
23 means, in on a form signed and verified by the applicant under
24 penalty of perjury, in an electronic format established by the
25 Department, the following:

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1 (1) a statement that the applicant will fully comply
2 with the Tobacco Products Manufacturers' Escrow
3 Enforcement Act of 2003; and

4 (2) the following information:

5 (A) (a) the name and address of the applicant;

6 (B) (b) the address of the location at which the
7 applicant proposes to engage in business as a
8 discretionary secondary distributor of cigarettes; and

9 (C) (c) such other additional information as the
10 Department may reasonably require by its rules.

11 A separate application for license shall be made for each
12 place of business at or from which the applicant proposes to
13 act as a discretionary secondary distributor under this
14 Section Act and for which the applicant is not required to
15 procure a license as a secondary distributor under the
16 Cigarette Tax Act or Cigarette Use Tax Act.

17 (b) The following are ineligible to receive a
18 discretionary secondary distributor's license under this
19 Section Act:

20 (1) a person who is not of good character and
21 reputation in the community in which the person he
22 resides; the Department may consider prior conviction of a
23 felony, but, except as provided in paragraph (2), the
24 conviction shall not operate as an absolute bar to
25 licensure;

26 (2) a person who has been convicted of a felony under

1 any ~~federal~~ Federal or State law, if the Department, after
2 investigation and consideration of any mitigating factors
3 and evidence of rehabilitation contained in the
4 applicant's record, including those in Section 4i of the
5 Cigarette Tax Act, and a hearing, if requested by the
6 applicant, determines that such person has not been
7 sufficiently rehabilitated to warrant the public trust and
8 the conviction will impair the ability of the person to
9 engage in the position for which a license is sought;

10 (3) a corporation, if any officer, manager or director
11 thereof, or any stockholder or stockholders owning in the
12 aggregate more than 5% of the stock of such corporation,
13 would not be eligible to receive a license under this Act
14 ~~hereunder~~ for any reason;

15 (4) a person who manufactures cigarettes, whether in
16 this State or out of this State, and who is neither (i) a
17 participating manufacturer as defined in subsection II(jj)
18 of the "Master Settlement Agreement" as defined in
19 Sections 10 of the Tobacco Product Manufacturers' Escrow
20 Act and the Tobacco Products Manufacturers' Escrow
21 Enforcement Act of 2003; nor (ii) in full compliance with
22 Tobacco Product Manufacturers' Escrow Act and the Tobacco
23 Products Manufacturers' Escrow Enforcement Act of 2003;

24 (5) a person who has delinquent reports under Section
25 25 of the Tobacco Products Manufacturers' Escrow
26 Enforcement Act of 2003; or

1 (6) a person, or any person who owns more than 15% 15
2 ~~percent~~ of the ownership interests in a person or a
3 related party who:

4 (A) owes, at the time of application, any
5 delinquent ~~cigarette~~ taxes that have been determined
6 by law to be due and unpaid under this Act or any other
7 tax Act administered by the Department, unless the
8 license applicant has entered into an agreement
9 approved by the Department to pay the amount due;

10 (B) had a license under this Act, ~~or~~ the Cigarette

11 Tax Act, the Tobacco Products Tax Act of 1995, or the
12 Cigarette Machine Operator's Occupation Tax Act
13 revoked within the past 2 years by the Department for
14 misconduct relating to stolen or contraband cigarettes
15 or has been convicted of a State or federal crime,
16 punishable by imprisonment of one year or more,
17 relating to stolen or contraband cigarettes;

18 (C) has been found by the Department, after notice
19 and a hearing, to have imported or caused to be
20 imported into the United States for sale or
21 distribution any cigarette in violation of 19 U.S.C.
22 1681a;

23 (D) has been found by the Department, after notice
24 and a hearing, to have imported or caused to be
25 imported into the United States for sale or
26 distribution or manufactured for sale or distribution

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1 in the United States any cigarette that does not fully
2 comply with the Federal Cigarette Labeling and
3 Advertising Act (15 U.S.C. 1331, et seq.); or

4 (E) has been found by the Department, after notice
5 and a hearing, to have made a materially material
6 false statement in the application or has failed to
7 produce records required to be maintained by this Act.

8 (c) The Department, upon receipt of application from a
9 person who is eligible to receive a discretionary secondary
10 distributor's license under this Section. Upon approval of
11 such application, the Department shall issue a license to the
12 applicant. Such license shall permit the applicant to engage
13 in business as a discretionary secondary distributor at or
14 from the place shown in the ~~his~~ application. There is no
15 application fee for the initial and renewal permits. All
16 licenses issued by the Department under this Section Act shall
17 be valid for a period not to exceed one year after issuance
18 unless sooner revoked, canceled, or suspended as provided in
19 this Act ~~provided~~. No license issued under this Section Act is
20 transferable or assignable. Such license shall be
21 conspicuously displayed at the place of business for which it
22 is issued.

23 No discretionary secondary distributor licensee acquires
24 any vested interest or compensable property right in a license
25 issued under this Section Act.
26 A licensed discretionary secondary distributor shall

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1 notify the Department of any change in the information
2 contained on the application form, including any change in
3 ownership, and shall do so within 30 days after any such
4 change.

5 Any person aggrieved by any decision of the Department
6 under this Section may, within 30 ~~20~~ days after notice of the
7 decision, protest and request a hearing. Upon receiving a
8 request for a hearing, the Department shall give notice to the
9 person requesting the hearing of the time and place fixed for
10 the hearing and shall hold a hearing in conformity with the
11 provisions of this Act and then issue its final administrative
12 decision in the matter to that person. In the absence of a
13 protest and request for a hearing within 30 ~~20~~ days, the
14 Department's decision shall become final without any further
15 determination being made or notice given.

16 Such authority and license may be suspended, canceled, or
17 revoked whenever the licensee violates any provision of this
18 Act or any lawful rule ~~or regulation~~ issued by the Department
19 pursuant to this Act or is determined to be ineligible for a
20 discretionary secondary distributor's permit under this Act as
21 provided in this Section, or whenever the licensee shall
22 notify the Department in writing ~~of his desire~~ to have the
23 license canceled. The Department shall have the power, in its
24 discretion, to issue a new license after such suspension,
25 cancellation, or revocation, except when the person who would
26 receive the license is ineligible to receive a discretionary

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1 secondary distributor's license under this Section Act.

(Source: P.A. 96-1027, eff. 7-12-10.)

(35 ILCS 135/27) (from Ch. 120, par. 453.57)

Sec. 27. Destruction or use of forfeited property.

(a) When any original packages of cigarettes or any cigarette vending device shall have been declared forfeited to the State by the Department, as provided in Section 25 of this Act, and when all proceedings for the judicial review of the Department's decision have terminated, the Department shall, to the extent that its decision is sustained on review, destroy or maintain and use such property in an undercover capacity.

(b) The Department may, prior to any destruction of cigarettes, permit the true holder of the trademark rights in the cigarette brand to inspect such contraband cigarettes, in order to assist the Department in any investigation regarding such cigarettes.

(c) The cost of destruction shall be assessed against the owner or the person in possession of the forfeited property. Such cost shall be assessed regardless of whether the forfeiture is determined by hearing or waiver.

(d) Any person aggrieved by any decision of the Department under this Section may, within 30 days after notice of the decision, protest and request a hearing. Upon receiving a written request for a hearing, the Department shall give

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notice to the person requesting the hearing of the time and place fixed for the hearing and shall hold a hearing in conformity with the provisions of this Act and then issue its final administrative decision in the matter to that person. In the absence of a protest and request for a hearing within 30 days, the Department's decision shall become final without any further determination being made or notice given. If a hearing has already been set pursuant to Section 25 or Section 6 of this Act, all issues related to the cost of destruction shall be heard simultaneously.

(Source: P.A. 94-776, eff. 5-19-06; 95-1053, eff. 1-1-10.)

Section 80-25. The Tobacco Products Tax Act of 1995 is

13 amended by changing Sections 10-20, 10-21, 10-25, 10-55,
14 10-56, and 10-58 as follows:

15 (35 ILCS 143/10-20)

16 Sec. 10-20. Distributor's licenses.

17 (a) It shall be unlawful for any person to engage in
18 business as a distributor of tobacco products within the
19 meaning of this Act without first having obtained a license to
20 do so from the Department. Application for that license shall
21 be made to the Department, by electronic means, in a form
22 prescribed ~~and furnished~~ by the Department. Each applicant for
23 a license shall furnish to the Department in ~~on~~ a form, signed
24 and verified by the applicant under penalty of perjury, in an

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1 electronic format established by the Department, the following
2 information:

3 (1) a statement that the applicant will fully comply
4 with the Tobacco Products Manufacturers' Escrow
5 Enforcement Act of 2003; and

6 (2) the following information:

7 (A) the ~~The~~ name and address of the applicant; ~~+~~

8 (B) the ~~(2) The~~ address of the location at which
9 the applicant proposes to engage in business as a
10 distributor of tobacco products; and ~~+~~

11 (C) such other additional ~~(3) Other~~ information as
12 the Department may reasonably require by its rules.

13 Each distributor, except for a distributor who is applying
14 for a distributor's license under this Act for the first time
15 or a distributor who, in the preceding year, had less than
16 \$50,000 of tax liability, shall also file with the Department
17 a bond in an amount not to exceed (i) 3 times the amount of the
18 distributor's average monthly tax liability or (ii) \$50,000,
19 whichever amount is lower, on a form to be approved by the
20 Department. The Department shall fix the amount of the bond
21 for each applicant, taking into consideration the amount of
22 money expected to become due from the applicant under this
23 Act. The amount of bond required by the Department shall be an
24 amount that, in its opinion, will protect the State of
25 Illinois against failure to pay the amount that may become due

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1 provided in this Section, the bond, a reissue, or a substitute
2 shall be kept in full force and effect during the entire period
3 covered by the license. A separate application for license
4 shall be made, and bond filed, for each place of business at
5 which a person who is required to procure a distributor's
6 license proposes to engage in business as a distributor under
7 this Act.

8 (b) The following are ineligible to receive a
9 distributor's license under this Section:

10 (1) a person who is not of good character and
11 reputation in the community in which the person resides;
12 the Department may consider prior conviction of a felony
13 but, except as provided in paragraph (2), the conviction
14 shall not operate as an absolute bar to licensure;

15 (2) a person who has been convicted of a felony under
16 any federal or State law, if the Department, after
17 investigation and consideration of any mitigating factors
18 and evidence of rehabilitation contained in the
19 applicant's record, including those in Section 4i of the
20 Cigarette Tax Act, and hearing, if requested by the
21 applicant, determines that such person has not been
22 sufficiently rehabilitated to warrant the public trust and
23 the conviction will impair the ability of the person to
24 engage in the position for which a license is sought;

25 (3) a corporation, if any officer, manager, or
26 director thereof, or any stockholder or stockholders

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1 owning in the aggregate more than 5% of the stock of such
2 corporation, would not be eligible to receive a license
3 under this Act for any reason;

4 (4) a person who has delinquent reports under Section
5 25 of the Tobacco Products Manufacturers' Escrow

6 Enforcement Act of 2003; or

7 (5) a person, or any person who owns more than 15% of
8 the ownership interests in a person or a related party
9 who:

10 (A) owes, at the time of application, any
11 delinquent taxes that have been determined by law to
12 be due and unpaid under this Act or any other tax Act
13 administered by the Department, unless the license
14 applicant has entered into an agreement approved by
15 the Department to pay the amount due;

16 (B) had a license under this Act, the Cigarette
17 Tax Act, the Cigarette Use Tax Act, or the Cigarette
18 Machine Operator's Occupation Tax Act revoked within
19 the past 2 years by the Department for misconduct
20 relating to stolen or contraband cigarettes or has
21 been convicted of a State or federal crime, punishable
22 by imprisonment of one year or more, relating to
23 stolen or contraband cigarettes;

24 (C) manufactures cigarettes, whether in this State
25 or out of this State, and who is neither (i) a
26 participating manufacturer as defined in subsection

1 II(jj) of the "Master Settlement Agreement" as defined
2 in Sections 10 of the Tobacco Product Manufacturers'
3 Escrow Act and the Tobacco Products Manufacturers'
4 Escrow Enforcement Act of 2003; nor (ii) in full
5 compliance with Tobacco Product Manufacturers' Escrow
6 Act and the Tobacco Products Manufacturers' Escrow
7 Enforcement Act of 2003;

8 (D) has been found by the Department, after notice
9 and a hearing, to have imported or caused to be
10 imported into the United States for sale or
11 distribution any cigarette in violation of 19 U.S.C.
12 1681a;

13 (E) has been found by the Department, after notice
14 and a hearing, to have imported or caused to be
15 imported into the United States for sale or
16 distribution or manufactured for sale or distribution
17 in the United States any cigarette that does not fully

18 comply with the Federal Cigarette Labeling and
19 Advertising Act (15 U.S.C. 1331, et seq.); or
20 (F) has been found by the Department, after notice
21 and a hearing, to have made a materially false
22 statement in the application or has failed to produce
23 records required to be maintained by this Act.
24 (c) The Department, upon receipt of an application and
25 bond, if required, in proper form, from a person who is
26 eligible to receive a distributor's license shall issue to the

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1 applicant a license, in a form prescribed by the Department.
2 ~~The license , which shall allow permit the applicant to whom it~~
3 ~~is issued~~ to engage in business as a distributor at the place
4 shown on ~~the his or her~~ application. ~~The license shall be~~
5 ~~issued by the Department without charge or cost to the~~
6 ~~applicant.~~ No license issued under this Section Act is
7 transferable or assignable. The license shall be conspicuously
8 displayed in the place of business conducted by the licensee
9 under the license. No distributor licensee acquires any vested
10 interest or compensable property right in a license issued
11 under this Section.

12 Licenses issued by the Department under this Section Act
13 shall be valid for a period not to exceed one year after
14 issuance unless sooner revoked, canceled, or suspended as
15 provided in this Act.

16 A licensed distributor shall notify the Department of any
17 change in the information contained on the application form,
18 including any change in ownership and shall do so within 30
19 days after any such change ~~No license shall be issued to any~~
20 ~~person who is in default to the State of Illinois for moneys~~
21 ~~due under this Act or any other tax Act administered by the~~
22 ~~Department.~~

23 The Department shall discharge any surety and shall
24 release and return any bond provided to it by a taxpayer under
25 this Section within 90 days after:

26 (1) the taxpayer becomes a prior continuous compliance

1 taxpayer; or

2 (2) the taxpayer has ceased to collect receipts on
3 which the taxpayer is required to remit the tax under this
4 Act to the Department, has filed a final tax return, and
5 has paid to the Department an amount sufficient to
6 discharge his remaining tax liability as determined by the
7 Department under this Act.

8 For the purposes of item (2), the Department shall make a
9 final determination of the taxpayer's outstanding tax
10 liability as expeditiously as possible after the taxpayer's
11 final tax return under this Act has been filed. If the
12 Department will be unable to make such a final determination
13 within 45 days after receiving the taxpayer's final tax
14 return, then the Department shall notify the taxpayer within
15 that 45-day period stating the reasons why it is unable to make
16 the final determination within that 45-day period.

17 The Department may, in its discretion, upon application,
18 authorize the payment of the tax imposed under Section 10-10
19 by any distributor or manufacturer not otherwise subject to
20 the tax imposed under this Act who, to the satisfaction of the
21 Department, furnishes adequate security to ensure payment of
22 the tax. The distributor or manufacturer shall be issued,
23 without charge, a license to remit the tax. When so
24 authorized, it shall be the duty of the distributor or
25 manufacturer to remit the tax imposed upon the wholesale price
26 of tobacco products sold or otherwise disposed of to retailers

1 or consumers located in this State, in the same manner and
2 subject to the same requirements as any other distributor or
3 manufacturer licensed under this Act.

4 The Department may revoke, suspend, or cancel the license
5 of a distributor of roll-your-own tobacco, as that term is
6 used in Section 10 of the Tobacco Product Manufacturers'

7 Escrow Act, ~~and~~ under this Act if the tobacco product
8 manufacturer, as defined in Section 10 of the Tobacco Product
9 Manufacturers' Escrow Act, that made or sold the roll-your-own
10 tobacco has failed to become a participating manufacturer, as
11 defined in subdivision (a)(1) of Section 15 of the Tobacco
12 Product Manufacturers' Escrow Act, or has failed to create a
13 qualified escrow fund for any roll-your-own tobacco
14 manufactured by the tobacco product manufacturer and sold in
15 this State or otherwise failed to bring itself into compliance
16 with subdivision (a)(2) of Section 15 of the Tobacco Product
17 Manufacturers' Escrow Act.

18 Any applicant applying for a distributor's license after
19 the applicant's distributor's license has been revoked by the
20 Department shall also file a bond with the Department in an
21 amount equal to 3 times the amount of the applicant's average
22 monthly tax liability under this Act, as that average monthly
23 tax liability was calculated immediately prior to the
24 revocation of the applicant's distributor's license.

25 Any person aggrieved by any decision of the Department
26 under this Section may, within 30 ~~20~~ days after notice of the

1 ~~that~~ decision, protest and request a hearing, whereupon the
2 Department must give notice to that person of the time and
3 place fixed for the hearing and must hold a hearing in
4 conformity with the provisions of this Act and then issue its
5 final administrative decision in the matter to that person. In
6 the absence of such a protest within 30 ~~20~~ days, the
7 Department's decision becomes final without any further
8 determination being made or notice given.

9 (Source: P.A. 103-1001, eff. 8-9-24; 103-1055, eff. 12-20-24.)

10 (35 ILCS 143/10-21)

11 Sec. 10-21. Retailer's license. Beginning on January 1,
12 2016, no person may engage in business as a retailer of tobacco
13 products in this State without first having obtained a license
14 from the Department. Application for license shall be made to
15 the Department, by electronic means, in a form prescribed by
16 the Department. Each applicant for a license under this
17 Section shall furnish to the Department, in a form signed and

18 verified by the applicant under penalty of perjury., in an
19 electronic format established by the Department, the following
20 information:
21 (1) the name and address of the applicant;
22 (2) the address of the location at which the applicant
23 proposes to engage in business as a retailer of tobacco
24 products in this State;
25 (3) such other additional information as the

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1 Department may reasonably ~~lawfully~~ require by its rules
2 ~~and regulations.~~

3 The annual license fee payable to the Department for each
4 retailer's license shall be \$150. The fee will be deposited
5 into the Tax Compliance and Administration Fund and shall be
6 used for the cost of tobacco retail inspection and contraband
7 tobacco and tobacco smuggling with at least two-thirds of the
8 money being used for contraband tobacco and tobacco smuggling
9 operations and enforcement.

10 Each applicant for license shall pay such fee to the
11 Department at the time of submitting its application for
12 license to the Department. The Department shall require an
13 applicant for a license under this Section to electronically
14 file and pay the fee.

15 A separate application for license shall be made and a
16 separate annual license fee shall be paid for each place of
17 business at which a person who is required to procure a
18 retailer's license under this Section proposes to engage in
19 business as a retailer in Illinois under this Section Act.

20 The following are ineligible to receive a retailer's
21 license under this Act:

22 (1) a person who has been convicted of a felony under
23 any federal or State law for smuggling cigarettes or
24 tobacco products or tobacco tax evasion, if the
25 Department, after investigation and a hearing if requested
26 by the applicant, determines that such person has not been

1 sufficiently rehabilitated to warrant the public trust;
2 and

3 (2) a corporation, if any officer, manager, or
4 director thereof, or any stockholder or stockholders
5 owning in the aggregate more than 5% of the stock of such
6 corporation, would not be eligible to receive a license
7 under this Act for any reason; a limited liability
8 company, if any member or managing member would not be
9 eligible to receive a license under this Act for any
10 reason; a partnership, if any partner would not be
11 eligible to receive a license under this Act for any
12 reason.

13 The Department, upon receipt of an application and license
14 fee, in proper form, from a person who is eligible to receive a
15 retailer's license under this Act, shall issue to such
16 applicant a license in form as prescribed by the Department,
17 which license shall permit the applicant to which it is issued
18 to engage in business as a retailer under this Act at the place
19 shown in the ~~his~~ application. All licenses issued by the
20 Department under this Section shall be valid for a period not
21 to exceed one year after issuance unless sooner revoked,
22 canceled or suspended as provided in this Act. No license
23 issued under this Section is transferable or assignable. Such
24 license shall be conspicuously displayed in the place of
25 business conducted by the licensee in Illinois under such
26 license. No licensee acquires any vested interest or

1 compensable property right in a license issued under this
2 Section.

3 A licensed retailer shall notify the Department of any
4 change in the information contained on the application form,
5 including any change in ownership and shall do so within 30
6 days after any such change.

7 A person who obtains a license as a retailer who ceases to
8 do business as specified in the license, or who never
9 commenced business, or whose license is suspended or revoked,
10 shall immediately surrender the license to the Department. The

11 Department shall not issue a license to a retailer unless the
12 retailer is also validly registered under the Retailers'
13 ~~Retailers~~ Occupation Tax Act.

14 A retailer as defined under this Act need not obtain an
15 additional license under this Act, but shall be deemed to be
16 sufficiently licensed by virtue of ~~his~~ being properly licensed
17 as a retailer under Section 4g of the Cigarette Tax Act.

18 Any person aggrieved by any decision of the Department
19 under this Section may, within 30 days after notice of the
20 decision, protest and request a hearing. Upon receiving a
21 request for a hearing, the Department shall give notice to the
22 person requesting the hearing of the time and place fixed for
23 the hearing and shall hold a hearing in conformity with the
24 provisions of this Act and then issue its final administrative
25 decision in the matter to that person. In the absence of a
26 protest and request for a hearing within 30 days, the

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1 Department's decision shall become final without any further
2 determination being made or notice given.
3 (Source: P.A. 104-6, eff. 7-1-25.)

4 (35 ILCS 143/10-25)

5 Sec. 10-25. License actions.

6 (a) The Department may, after notice and a hearing,
7 revoke, cancel, or suspend the license of any distributor or
8 retailer who ~~violates any of the provisions of this Act,~~ fails
9 to keep books and records as required under this Act, fails to
10 make books and records available for inspection upon demand by
11 a duly authorized employee of the Department, or violates a
12 rule ~~or regulation~~ of the Department for the administration
13 and enforcement of this Act. The notice shall specify the
14 alleged violation or violations upon which the revocation,
15 cancellation, or suspension proceeding is based.

16 (b) The Department may, after notice and hearing as
17 provided for by this Act, revoke, cancel, or suspend the
18 license of any distributor or retailer for the violation of
19 any provision of this Act, or for noncompliance with the
20 provisions of this Act, or for any noncompliance with any
21 lawful rule promulgated by the Department under this Act, or

22 because the licensee is determined to be ineligible for a
23 distributor's license for any one or more of the reasons
24 provided for in Section 10-20 of this Act, or because the
25 licensee is determined to be ineligible for a retailer's

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1 license for any one or more of the reasons provided for in
2 Section 10-21 of this Act.

3 (b-5) The Department may revoke, cancel, or suspend the
4 license of any distributor for a violation of the Tobacco
5 Products Manufacturers' Escrow Enforcement Act of 2003 as
6 provided in Section 30 of that Act.

7 (c) If the retailer has a training program that
8 facilitates compliance with minimum-age tobacco laws, the
9 Department shall suspend for 3 days the license of that
10 retailer for a fourth or subsequent violation of the
11 Prevention of Tobacco Use by Persons under 21 Years of Age and
12 Sale and Distribution of Tobacco Products Act, as provided in
13 subsection (a) of Section 2 of that Act. For the purposes of
14 this Section, any violation of subsection (a) of Section 2 of
15 the Prevention of Tobacco Use by Persons under 21 Years of Age
16 and Sale and Distribution of Tobacco Products Act occurring at
17 the retailer's licensed location, during a 24-month period,
18 shall be counted as a violation against the retailer.

19 If the retailer does not have a training program that
20 facilitates compliance with minimum-age tobacco laws, the
21 Department shall suspend for 3 days the license of that
22 retailer for a second violation of the Prevention of Tobacco
23 Use by Persons under 21 Years of Age and Sale and Distribution
24 of Tobacco Products Act, as provided in subsection (a-5) of
25 Section 2 of that Act.

26 If the retailer does not have a training program that

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1 facilitates compliance with minimum-age tobacco laws, the
2 Department shall suspend for 7 days the license of that

3 retailer for a third violation of the Prevention of Tobacco
4 Use by Persons under 21 Years of Age and Sale and Distribution
5 of Tobacco Products Act, as provided in subsection (a-5) of
6 Section 2 of that Act.

7 If the retailer does not have a training program that
8 facilitates compliance with minimum-age tobacco laws, the
9 Department shall suspend for 30 days the license of a retailer
10 for a fourth or subsequent violation of the Prevention of
11 Tobacco Use by Persons under 21 Years of Age and Sale and
12 Distribution of Tobacco Products Act, as provided in
13 subsection (a-5) of Section 2 of that Act.

14 A training program that facilitates compliance with
15 minimum-age tobacco laws must include at least the following
16 elements: (i) it must explain that only individuals displaying
17 valid identification demonstrating that they are 21 years of
18 age or older shall be eligible to purchase cigarettes or
19 tobacco products and (ii) it must explain where a clerk can
20 check identification for a date of birth. The training may be
21 conducted electronically. Each retailer that has a training
22 program shall require each employee who completes the training
23 program to sign a form attesting that the employee has
24 received and completed tobacco training. The form shall be
25 kept in the employee's file and may be used to provide proof of
26 training.

1 (c-5) Any distributor or retailer aggrieved by any
2 decision of the Department under this Section may, within 30
3 days after notice of the decision, protest and request a
4 hearing. Upon receiving a written request for a hearing, the
5 Department shall give notice in writing to the distributor or
6 retailer requesting the hearing that contains a statement of
7 the charges preferred against the distributor or retailer and
8 that states the time and place fixed for the hearing. The
9 Department shall hold the hearing in conformity with the
10 provisions of this Act and then issue its final administrative
11 decision in the matter to the distributor or retailer. In the
12 absence of a written protest and request for a hearing within
13 30 days, the Department's decision shall become final without
14 any further determination being made or notice given.

15 (c-10) No license so revoked shall be reissued to any
16 distributor or retailer for a period of 6 months after the date
17 of the final determination of such revocation. No license
18 shall be reissued at all so long as the person who would
19 receive the license is ineligible to receive a distributor's
20 license under this Act for any one or more of the reasons
21 provided for in Section 10-20 of this Act or a retailer's
22 license under this Act for any one or more of the reasons
23 provided for in Section 10-21 of this Act.

24 (d) The Department may, by application to any circuit
25 court, obtain an injunction restraining any person who engages
26 in business as a distributor of tobacco products without a

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1 license (either because the ~~his or her~~ license has been
2 revoked, canceled, or suspended or because of a failure to
3 obtain a license in the first instance) from engaging in that
4 business until that person, as if that person were a new
5 applicant for a license, complies with all of the conditions,
6 restrictions, and requirements of Section 10-20 of this Act
7 and qualifies for and obtains a license. Refusal or neglect to
8 obey the order of the court may result in punishment for
9 contempt.

10 (e) The Department, upon complaint filed in the circuit
11 court, may, by injunction, restrain any person who fails or
12 refuses to comply with any of the provisions of this Act from
13 acting as a distributor or retailer in this State.

14 (Source: P.A. 104-6, eff. 6-16-25.)

15 (35 ILCS 143/10-55)

16 Sec. 10-55. Arrest; search and seizure without warrant.
17 Any duly authorized employee of the Department (i) may arrest
18 without warrant any person committing in his or her presence a
19 violation of any of the provisions of this Act, (ii) may
20 without a search warrant inspect all tobacco products located
21 in any place of business, (iii) may seize any tobacco products
22 possessed in violation in accordance with the provisions of
23 this Act, and (iv) may seize any vending device in which those
24 tobacco products that violate this Act are found; and (v) may
25 seize any tobacco products on which the tax imposed under this

1 Act has not been paid. The tobacco products and vending
2 devices so seized are subject to confiscation and forfeiture
3 as provided in Sections 10-56 through 10-58.
4 (Source: P.A. 92-743, eff. 7-25-02.)

5 (35 ILCS 143/10-56)

6 Sec. 10-56. Seizure and forfeiture. After seizing any
7 tobacco products or vending devices, as provided in Section
8 10-55, the Department must hold a hearing and determine
9 whether (i) the distributor or retailer was properly licensed
10 to sell the tobacco products at the time of their seizure by
11 the Department; (ii) the possession of the tobacco products
12 was in violation of this Act; or (iii) the tax imposed by this
13 Act had been paid on the tobacco products. The Department is
14 not required to hold such a hearing if a waiver and consent to
15 forfeiture has been executed by the owner of the property, if
16 the owner is known, and by the person in whose possession the
17 property so taken was found, if that person is known and if
18 that person is not the owner of the property. The Department
19 shall give not less than 20 days' notice of the time and place
20 of the hearing to the owner of the property, if the owner is
21 known, and also to the person in whose possession the property
22 was found, if that person is known and if the person in
23 possession is not the owner of the property. If neither the
24 owner nor the person in possession of the property is known,
25 the Department must cause publication of the time and place of

1 the hearing to be made at least once in each week for 3 weeks
2 successively in a newspaper of general circulation in the
3 county where the hearing is to be held.

4 If, as the result of the hearing, the Department makes any
5 of the findings listed in (i) through (iii) above determines
6 ~~that the distributor or retailer was not properly licensed at~~

7 ~~the time the tobacco products were seized~~, or upon receipt of a
8 properly executed waiver and consent to forfeiture as provided
9 in this Section, the Department must enter an order declaring
10 the tobacco products or vending devices confiscated and
11 forfeited to the State, to be held by the Department for
12 disposal by it as provided in Section 10-58. The Department
13 must give notice of the order to the owner of the property, if
14 the owner is known, and also to the person in whose possession
15 the property was found, if that person is known and if the
16 person in possession is not the owner of the property. If
17 neither the owner nor the person in possession of the property
18 is known, the Department must cause publication of the order
19 to be made at least once in each week for 3 weeks successively
20 in a newspaper of general circulation in the county where the
21 hearing was held.

22 (Source: P.A. 103-1001, eff. 8-9-24.)

23 (35 ILCS 143/10-58)

24 Sec. 10-58. Sale of forfeited tobacco products or vending
25 devices.

1 (a) When any tobacco products or any vending devices are
2 declared forfeited to the State by the Department, as provided
3 in Section 10-55, and when all proceedings for the judicial
4 review of the Department's decision have terminated, the
5 Department shall, to the extent that its decision is sustained
6 on review, sell the property for the best price obtainable and
7 shall forthwith pay over the proceeds of the sale to the State
8 Treasurer. If the value of the property to be sold at any one
9 time is \$500 or more, however, the property shall be sold only
10 to the highest and best bidder on terms and conditions, and on
11 open competitive bidding after public advertisement, in a
12 manner and for terms as the Department, by rule, may
13 prescribe.

14 (b) If no complaint for review, as provided in Section 12
15 of the Retailers' Occupation Tax Act, has been filed within
16 the time required by law ~~Law~~, and if no stay order has been
17 entered under that law ~~Law~~, the Department shall proceed to
18 destroy, maintain and use in an undercover capacity, or sell

19 the property for the best price obtainable and shall forthwith
20 pay over the proceeds of the sale to the State Treasurer. If
21 the value of the property to be sold at any one time is \$500 or
22 more, however, the property shall be sold only to the highest
23 and best bidder on terms and conditions, and on open
24 competitive bidding after public advertisement, in a manner
25 and for terms as the Department, by rule, may prescribe.
26 (c) Upon making a sale of tobacco products as provided in

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1 this Section, the Department shall affix a distinctive stamp
2 to each of the tobacco products so sold indicating that they
3 are sold under this Section.

4 (d) The cost of destruction shall be assessed against the
5 owner or the person in possession of the forfeited property.
6 Such cost shall be assessed regardless of whether the
7 forfeiture is determined by hearing or waiver.

8 (e) Notwithstanding the foregoing, any tobacco products
9 seized under this Act may, at the discretion of the Director of
10 Revenue, be distributed to any eleemosynary institution within
11 the State of Illinois.

12 (f) Any person aggrieved by any decision of the Department
13 under this Section may, within 30 days after notice of the
14 decision, protest and request a hearing. Upon receiving a
15 written request for a hearing, the Department shall give
16 notice to the person requesting the hearing of the time and
17 place fixed for the hearing and shall hold a hearing in
18 conformity with the provisions of this Act and then issue its
19 final administrative decision in the matter to that person. In
20 the absence of a protest and request for a hearing within 30
21 days, the Department's decision shall become final without any
22 further determination being made or notice given. If a hearing
23 has already been set pursuant to Section 10-25 or Section
24 10-56 of this Act, all issues related to the cost of
25 destruction shall be heard simultaneously.

26 (Source: P.A. 97-1129, eff. 8-28-12.)

ARTICLE 85

1

2 Section 85-5. The Illinois Gambling Act is amended by
3 changing Section 7 as follows:

4 (230 ILCS 10/7) (from Ch. 120, par. 2407)

5 Sec. 7. Owners licenses.

6 (a) The Board shall issue owners licenses to persons or
7 entities that apply for such licenses upon payment to the
8 Board of the non-refundable license fee as provided in
9 subsection (e) or (e-5) and upon a determination by the Board
10 that the applicant is eligible for an owners license pursuant
11 to this Act and the rules of the Board. From December 15, 2008
12 (the effective date of Public Act 95-1008) until (i) 3 years
13 after December 15, 2008 (the effective date of Public Act
14 95-1008), (ii) the date any organization licensee begins to
15 operate a slot machine or video game of chance under the
16 Illinois Horse Racing Act of 1975 or this Act, (iii) the date
17 that payments begin under subsection (c-5) of Section 13 of
18 this Act, (iv) the wagering tax imposed under Section 13 of
19 this Act is increased by law to reflect a tax rate that is at
20 least as stringent or more stringent than the tax rate
21 contained in subsection (a-3) of Section 13, or (v) when an
22 owners licensee holding a license issued pursuant to Section
23 7.1 of this Act begins conducting gaming, whichever occurs

1 first, as a condition of licensure and as an alternative
2 source of payment for those funds payable under subsection
3 (c-5) of Section 13 of this Act, any owners licensee that holds
4 or receives its owners license on or after May 26, 2006 (the
5 effective date of Public Act 94-804), other than an owners
6 licensee operating a riverboat with adjusted gross receipts in

7 calendar year 2004 of less than \$200,000,000, must pay into
8 the Horse Racing Equity Trust Fund, in addition to any other
9 payments required under this Act, an amount equal to 3% of the
10 adjusted gross receipts received by the owners licensee. The
11 payments required under this Section shall be made by the
12 owners licensee to the State Treasurer no later than 3:00
13 o'clock p.m. of the day after the day when the adjusted gross
14 receipts were received by the owners licensee. A person or
15 entity is ineligible to receive an owners license if:

16 (1) the person has been convicted of a felony under
17 the laws of this State, any other state, or the United
18 States;

19 (2) the person has been convicted of any violation of
20 Article 28 of the Criminal Code of 1961 or the Criminal
21 Code of 2012, or substantially similar laws of any other
22 jurisdiction;

23 (3) the person has submitted an application for a
24 license under this Act which contains false information;

25 (4) the person is a member of the Board;

26 (5) a person defined in (1), (2), (3), or (4) is an

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1 officer, director, or managerial employee of the entity;

2 (6) the entity employs a person defined in (1), (2),
3 (3), or (4) who participates in the management or
4 operation of gambling operations authorized under this
5 Act;

6 (7) (blank); or

7 (8) a license of the person or entity issued under
8 this Act, or a license to own or operate gambling
9 facilities in any other jurisdiction, has been revoked.

10 The Board is expressly prohibited from making changes to
11 the requirement that licensees make payment into the Horse
12 Racing Equity Trust Fund without the express authority of the
13 Illinois General Assembly and making any other rule to
14 implement or interpret Public Act 95-1008. For the purposes of
15 this paragraph, "rules" is given the meaning given to that
16 term in Section 1-70 of the Illinois Administrative Procedure
17 Act.

18 (b) In determining whether to grant an owners license to

19 an applicant, the Board shall consider:

20 (1) the character, reputation, experience, and
21 financial integrity of the applicants and of any other or
22 separate person that either:

23 (A) controls, directly or indirectly, such
24 applicant; or

25 (B) is controlled, directly or indirectly, by such
26 applicant or by a person which controls, directly or

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1 indirectly, such applicant;

2 (2) the facilities or proposed facilities for the
3 conduct of gambling;

4 (3) the highest prospective total revenue to be
5 derived by the State from the conduct of gambling;

6 (4) the extent to which the ownership of the applicant
7 reflects the diversity of the State by including minority
8 persons, women, and persons with a disability and the good
9 faith affirmative action plan of each applicant to
10 recruit, train, and upgrade minority persons, women, and
11 persons with a disability in all employment
12 classifications; the Board shall further consider granting
13 an owners license and giving preference to an applicant
14 under this Section to applicants in which minority persons
15 and women hold ownership interest of at least 16% and 4%,
16 respectively;

17 (4.5) the extent to which the ownership of the
18 applicant includes veterans of service in the armed forces
19 of the United States, and the good faith affirmative
20 action plan of each applicant to recruit, train, and
21 upgrade veterans of service in the armed forces of the
22 United States in all employment classifications;

23 (5) the financial ability of the applicant to purchase
24 and maintain adequate liability and casualty insurance;

25 (6) whether the applicant has adequate capitalization
26 to provide and maintain, for the duration of a license, a

1 riverboat or casino;
2 (7) the extent to which the applicant exceeds or meets
3 other standards for the issuance of an owners license
4 which the Board may adopt by rule;
5 (8) the amount of the applicant's license bid;
6 (9) the extent to which the applicant or the proposed
7 host municipality plans to enter into revenue sharing
8 agreements with communities other than the host
9 municipality;
10 (10) the extent to which the ownership of an applicant
11 includes the most qualified number of minority persons,
12 women, and persons with a disability; and
13 (11) whether the applicant has entered into a fully
14 executed construction project labor agreement with the
15 applicable local building trades council.
16 (c) Each owners license shall specify the place where the
17 casino shall operate or the riverboat shall operate and dock.
18 (d) Each applicant shall submit with his or her
19 application, on forms provided by the Board, 2 sets of his or
20 her fingerprints.
21 (e) In addition to any licenses authorized under
22 subsection (e-5) of this Section, the Board may issue up to 10
23 licenses authorizing the holders of such licenses to own
24 riverboats. In the application for an owners license, the
25 applicant shall state the dock at which the riverboat is based
26 and the water on which the riverboat will be located. The Board

1 shall issue 5 licenses to become effective not earlier than
2 January 1, 1991. Three of such licenses shall authorize
3 riverboat gambling on the Mississippi River, or, with approval
4 by the municipality in which the riverboat was docked on
5 August 7, 2003 and with Board approval, be authorized to
6 relocate to a new location, in a municipality that (1) borders
7 on the Mississippi River or is within 5 miles of the city
8 limits of a municipality that borders on the Mississippi River
9 and (2) on August 7, 2003, had a riverboat conducting
10 riverboat gambling operations pursuant to a license issued

11 under this Act; one of which shall authorize riverboat
12 gambling from a home dock in the city of East St. Louis; and
13 one of which shall authorize riverboat gambling from a home
14 dock in the City of Alton. One other license shall authorize
15 riverboat gambling on the Illinois River in the City of East
16 Peoria or, with Board approval, shall authorize land-based
17 gambling operations anywhere within the corporate limits of
18 the City of Peoria. The Board shall issue one additional
19 license to become effective not earlier than March 1, 1992,
20 which shall authorize riverboat gambling on the Des Plaines
21 River in Will County. The Board may issue 4 additional
22 licenses to become effective not earlier than March 1, 1992.
23 In determining the water upon which riverboats will operate,
24 the Board shall consider the economic benefit which riverboat
25 gambling confers on the State, and shall seek to ensure ~~assure~~
26 that all regions of the State share in the economic benefits of

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1 riverboat gambling.

2 In granting all licenses, the Board may give favorable
3 consideration to economically depressed areas of the State, to
4 applicants presenting plans which provide for significant
5 economic development over a large geographic area, and to
6 applicants who currently operate non-gambling riverboats in
7 Illinois. The Board shall review all applications for owners
8 licenses, and shall inform each applicant of the Board's
9 decision. The Board may grant an owners license to an
10 applicant that has not submitted the highest license bid, but
11 if it does not select the highest bidder, the Board shall issue
12 a written decision explaining why another applicant was
13 selected and identifying the factors set forth in this Section
14 that favored the winning bidder. The fee for issuance or
15 renewal of a license pursuant to this subsection (e) shall be
16 \$250,000.

17 (e-5) In addition to licenses authorized under subsection
18 (e) of this Section:

19 (1) the Board may issue one owners license authorizing
20 the conduct of casino gambling in the City of Chicago;

21 (2) the Board may issue one owners license authorizing
22 the conduct of riverboat gambling in the City of Danville;

23 (3) the Board may issue one owners license authorizing
24 the conduct of riverboat gambling in the City of Waukegan;
25 (4) the Board may issue one owners license authorizing
26 the conduct of riverboat gambling in the City of Rockford;

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1 (5) the Board may issue one owners license authorizing
2 the conduct of riverboat gambling in a municipality that
3 is wholly or partially located in one of the following
4 townships of Cook County: Bloom, Bremen, Calumet, Rich,
5 Thornton, or Worth Township; and

6 (6) the Board may issue one owners license authorizing
7 the conduct of riverboat gambling in the unincorporated
8 area of Williamson County adjacent to the Big Muddy River.

9 Except for the license authorized under paragraph (1),
10 each application for a license pursuant to this subsection
11 (e-5) shall be submitted to the Board no later than 120 days
12 after June 28, 2019 (the effective date of Public Act 101-31).
13 All applications for a license under this subsection (e-5)
14 shall include the nonrefundable application fee and the
15 nonrefundable background investigation fee as provided in
16 subsection (d) of Section 6 of this Act. In the event that an
17 applicant submits an application for a license pursuant to
18 this subsection (e-5) prior to June 28, 2019 (the effective
19 date of Public Act 101-31), such applicant shall submit the
20 nonrefundable application fee and background investigation fee
21 as provided in subsection (d) of Section 6 of this Act no later
22 than 6 months after June 28, 2019 (the effective date of Public
23 Act 101-31).

24 The Board shall consider issuing a license pursuant to
25 paragraphs (1) through (6) of this subsection only after the
26 corporate authority of the municipality or the county board of

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1 the county in which the riverboat or casino shall be located
2 has certified to the Board the following:

3 (i) that the applicant has negotiated with the
4 corporate authority or county board in good faith;
5 (ii) that the applicant and the corporate authority or
6 county board have mutually agreed on the permanent
7 location of the riverboat or casino;
8 (iii) that the applicant and the corporate authority
9 or county board have mutually agreed on the temporary
10 location of the riverboat or casino;
11 (iv) that the applicant and the corporate authority or
12 the county board have mutually agreed on the percentage of
13 revenues that will be shared with the municipality or
14 county, if any;
15 (v) that the applicant and the corporate authority or
16 county board have mutually agreed on any zoning,
17 licensing, public health, or other issues that are within
18 the jurisdiction of the municipality or county;
19 (vi) that the corporate authority or county board has
20 passed a resolution or ordinance in support of the
21 riverboat or casino in the municipality or county;
22 (vii) that the applicant for a license under paragraph
23 (1) has made a public presentation concerning its casino
24 proposal; and
25 (viii) that the applicant for a license under
26 paragraph (1) has prepared a summary of its casino

1 proposal and such summary has been posted on a public
2 website of the municipality or the county.

3 At least 7 days before the corporate authority of a
4 municipality or county board of the county submits a
5 certification to the Board concerning items (i) through (viii)
6 of this subsection, it shall hold a public hearing to discuss
7 items (i) through (viii), as well as any other details
8 concerning the proposed riverboat or casino in the
9 municipality or county. The corporate authority or county
10 board must subsequently memorialize the details concerning the
11 proposed riverboat or casino in a resolution that must be
12 adopted by a majority of the corporate authority or county
13 board before any certification is sent to the Board. The Board
14 shall not alter, amend, change, or otherwise interfere with

15 any agreement between the applicant and the corporate
16 authority of the municipality or county board of the county
17 regarding the location of any temporary or permanent facility.

18 In addition, within 10 days after June 28, 2019 (the
19 effective date of Public Act 101-31), the Board, with consent
20 and at the expense of the City of Chicago, shall select and
21 retain the services of a nationally recognized casino gaming
22 feasibility consultant. Within 45 days after June 28, 2019
23 (the effective date of Public Act 101-31), the consultant
24 shall prepare and deliver to the Board a study concerning the
25 feasibility of, and the ability to finance, a casino in the
26 City of Chicago. The feasibility study shall be delivered to

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1 the Mayor of the City of Chicago, the Governor, the President
2 of the Senate, and the Speaker of the House of
3 Representatives. Ninety days after receipt of the feasibility
4 study, the Board shall make a determination, based on the
5 results of the feasibility study, whether to recommend to the
6 General Assembly that the terms of the license under paragraph
7 (1) of this subsection (e-5) should be modified. The Board may
8 begin accepting applications for the owners license under
9 paragraph (1) of this subsection (e-5) upon the determination
10 to issue such an owners license.

11 In addition, prior to the Board issuing the owners license
12 authorized under paragraph (4) of this subsection (e-5), an
13 impact study shall be completed to determine what location in
14 the city will provide the greater impact to the region,
15 including the creation of jobs and the generation of tax
16 revenue.

17 (e-10) The licenses authorized under subsection (e-5) of
18 this Section shall be issued within 12 months after the date
19 the license application is submitted. If the Board does not
20 issue the licenses within that time period, then the Board
21 shall give a written explanation to the applicant as to why it
22 has not reached a determination and when it reasonably expects
23 to make a determination. The fee for the issuance or renewal of
24 a license issued pursuant to this subsection (e-10) shall be
25 \$250,000. Additionally, a licensee located outside of Cook
26 County shall pay a minimum initial fee of \$17,500 per gaming

1 position, and a licensee located in Cook County shall pay a
2 minimum initial fee of \$30,000 per gaming position. The
3 initial fees payable under this subsection (e-10) shall be
4 deposited into the Rebuild Illinois Projects Fund. If at any
5 point after June 1, 2020 there are no pending applications for
6 a license under subsection (e-5) and not all licenses
7 authorized under subsection (e-5) have been issued, then the
8 Board shall reopen the license application process for those
9 licenses authorized under subsection (e-5) that have not been
10 issued. The Board shall follow the licensing process provided
11 in subsection (e-5) with all time frames tied to the last date
12 of a final order issued by the Board under subsection (e-5)
13 rather than the effective date of the amendatory Act.

14 (e-15) Each licensee of a license authorized under
15 subsection (e-5) of this Section shall make a reconciliation
16 payment 3 years after the date the licensee begins operating
17 in an amount equal to 75% of the adjusted gross receipts for
18 the most lucrative 12-month period of operations, minus an
19 amount equal to the initial payment per gaming position paid
20 by the specific licensee. Each licensee shall pay a
21 \$15,000,000 reconciliation fee upon issuance of an owners
22 license. If this calculation results in a negative amount,
23 then the licensee is not entitled to any reimbursement of fees
24 previously paid. This reconciliation payment may be made in
25 installments over a period of no more than 6 years.

26 All payments by licensees under this subsection (e-15)

1 shall be deposited into the Rebuild Illinois Projects Fund.

2 (e-20) In addition to any other revocation powers granted
3 to the Board under this Act, the Board may revoke the owners
4 license of a licensee which fails to begin conducting gambling
5 within 15 months of receipt of the Board's approval of the
6 application if the Board determines that license revocation is

7 in the best interests of the State.

8 (f) The first 10 owners licenses issued under this Act
9 shall permit the holder to own up to 2 riverboats and equipment
10 thereon for a period of 3 years after the effective date of the
11 license. Holders of the first 10 owners licenses must pay the
12 annual license fee for each of the 3 years during which they
13 are authorized to own riverboats.

14 (g) Upon the termination, expiration, or revocation of
15 each of the first 10 licenses, which shall be issued for a
16 3-year period, all licenses are renewable annually upon
17 payment of the fee and a determination by the Board that the
18 licensee continues to meet all of the requirements of this Act
19 and the Board's rules. However, for licenses renewed on or
20 after June 10, 2021 (the effective date of Public Act 102-13)
21 ~~this amendatory Act of the 102nd General Assembly~~, renewal
22 shall be for a period of 4 years.

23 (h) An owners license, except for an owners license issued
24 under subsection (e-5) of this Section, shall entitle the
25 licensee to own up to 2 riverboats.

26 An owners licensee of a casino or riverboat that is

1 located in the City of Chicago pursuant to paragraph (1) of
2 subsection (e-5) of this Section shall limit the number of
3 gaming positions to 4,000 for such owner. An owners licensee
4 authorized under subsection (e) or paragraph (2), (3), (4), or
5 (5) of subsection (e-5) of this Section shall limit the number
6 of gaming positions to 2,000 for any such owners license. An
7 owners licensee authorized under paragraph (6) of subsection
8 (e-5) of this Section shall limit the number of gaming
9 positions to 1,200 for such owner. The initial fee for each
10 gaming position obtained on or after June 28, 2019 (the
11 effective date of Public Act 101-31) shall be a minimum of
12 \$17,500 for licensees not located in Cook County and a minimum
13 of \$30,000 for licensees located in Cook County, in addition
14 to the reconciliation payment, as set forth in subsection
15 (e-15) of this Section. The fees under this subsection (h)
16 shall be deposited into the Rebuild Illinois Projects Fund.
17 The fees under this subsection (h) that are paid by an owners
18 licensee authorized under subsection (e) shall be paid by July

19 1, 2021.

20 Each owners licensee under subsection (e) of this Section
21 shall reserve its gaming positions within 30 days after June
22 28, 2019 (the effective date of Public Act 101-31). The Board
23 may grant an extension to this 30-day period, provided that
24 the owners licensee submits a written request and explanation
25 as to why it is unable to reserve its positions within the
26 30-day period.

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1 Each owners licensee under subsection (e-5) of this
2 Section shall reserve its gaming positions within 30 days
3 after issuance of its owners license. The Board may grant an
4 extension to this 30-day period, provided that the owners
5 licensee submits a written request and explanation as to why
6 it is unable to reserve its positions within the 30-day
7 period.

8 A licensee may operate both of its riverboats
9 concurrently, provided that the total number of gaming
10 positions on both riverboats does not exceed the limit
11 established pursuant to this subsection. Riverboats licensed
12 to operate on the Mississippi River and the Illinois River
13 south of Marshall County shall have an authorized capacity of
14 at least 500 persons. Any other riverboat licensed under this
15 Act shall have an authorized capacity of at least 400 persons.

16 (h-5) An owners licensee who conducted gambling operations
17 prior to January 1, 2012 and obtains positions pursuant to
18 Public Act 101-31 shall make a reconciliation payment 3 years
19 after any additional gaming positions begin operating in an
20 amount equal to 75% of the owners licensee's average gross
21 receipts for the most lucrative 12-month period of operations
22 minus an amount equal to the initial fee that the owners
23 licensee paid per additional gaming position. For purposes of
24 this subsection (h-5), "average gross receipts" means (i) the
25 increase in adjusted gross receipts for the most lucrative
26 12-month period of operations over the adjusted gross receipts

1 for 2019, multiplied by (ii) the percentage derived by
2 dividing the number of additional gaming positions that an
3 owners licensee had obtained by the total number of gaming
4 positions operated by the owners licensee. If this calculation
5 results in a negative amount, then the owners licensee is not
6 entitled to any reimbursement of fees previously paid. This
7 reconciliation payment may be made in installments over a
8 period of no more than 6 years. These reconciliation payments
9 shall be deposited into the Rebuild Illinois Projects Fund.

10 (i) A licensed owner is authorized to apply to the Board
11 for and, if approved therefor, to receive all licenses from
12 the Board necessary for the operation of a riverboat or
13 casino, including a liquor license, a license to prepare and
14 serve food for human consumption, and other necessary
15 licenses. All use, occupation, and excise taxes which apply to
16 the sale of food and beverages in this State and all taxes
17 imposed on the sale or use of tangible personal property apply
18 to such sales aboard the riverboat or in the casino.

19 (j) The Board may issue or re-issue a license authorizing
20 a riverboat to dock in a municipality or approve a relocation
21 under Section 11.2 only if, prior to the issuance or
22 re-issuance of the license or approval, the governing body of
23 the municipality in which the riverboat will dock has by a
24 majority vote approved the docking of riverboats in the
25 municipality. The Board may issue or re-issue a license
26 authorizing a riverboat to dock in areas of a county outside

1 any municipality or approve a relocation under Section 11.2
2 only if, prior to the issuance or re-issuance of the license or
3 approval, the governing body of the county has by a majority
4 vote approved of the docking of riverboats within such areas.

5 (k) An owners licensee may conduct land-based gambling
6 operations upon approval by the Board and payment of a fee of
7 \$250,000, which shall be deposited into the State Gaming Fund.

8 (l) An owners licensee may conduct gaming at a temporary
9 facility pending the construction of a permanent facility or
10 the remodeling or relocation of an existing facility to

11 accommodate gaming participants for up to 24 months after the
12 temporary facility begins to conduct gaming. Upon request by
13 an owners licensee and upon a showing of good cause by the
14 owners licensee: (i) for a licensee authorized under paragraph
15 (3) of subsection (e-5), upon payment of an administrative fee
16 of \$10,000, the Board ~~may shall~~ extend the period during which
17 the licensee may conduct gaming at a temporary facility by up
18 to ~~48~~ 30 months; and (ii) for a licensee authorized under
19 paragraph (1) of subsection (e-5), upon payment of an
20 administrative fee of \$10,000, the Board may extend the period
21 during which the licensee may conduct gaming at a temporary
22 facility by up to 18 months, and the Board may authorize no
23 more than 2 additional 3-month extensions; and (iii) for all
24 other licensees, the Board shall extend the period during
25 which the licensee may conduct gaming at a temporary facility
26 by up to 12 months. The Board shall make rules concerning the

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1 conduct of gaming from temporary facilities.
2 (Source: P.A. 102-13, eff. 6-10-21; 102-558, eff. 8-20-21;
3 103-574, eff. 12-8-23; revised 6-26-25.)

ARTICLE 95

5 Section 95-5. The Illinois Vehicle Code is amended by
6 changing Sections 15-111 and 15-312 as follows:

7 (625 ILCS 5/15-111) (from Ch. 95 1/2, par. 15-111)

8 (Text of Section before amendment by P.A. 104-436)

9 Sec. 15-111. Wheel and axle loads and gross weights.

10 (a) No vehicle or combination of vehicles with pneumatic
11 tires may be operated, unladen or with load, when the total
12 weight on the road surface exceeds the following: 20,000
13 pounds on a single axle; 34,000 pounds on a tandem axle with no
14 axle within the tandem exceeding 20,000 pounds; 80,000 pounds
15 gross weight for vehicle combinations of 5 or more axles; or a
16 total weight on a group of 2 or more consecutive axles in
17 excess of that weight produced by the application of the
18 following formula: $W = 500 \text{ times the sum of } (LN \text{ divided by } N-1)$
19 $+ 12N + 36$, where "W" equals overall total weight on any group

20 of 2 or more consecutive axles to the nearest 500 pounds, "L"
 21 equals the distance measured to the nearest foot between
 22 extremes of any group of 2 or more consecutive axles, and "N"
 23 equals the number of axles in the group under consideration.

1 The above formula when expressed in tabular form results
 2 in allowable loads as follows:

3 Distance measured
 4 to the nearest
 5 foot between the

6 extremes of any Maximum weight in pounds
 7 group of 2 or of any group of
 8 more consecutive 2 or more consecutive axles
 9 axles

	feet	2 axles	3 axles	4 axles	5 axles	6 axles
10	4	34,000				
11	5	34,000				
12	6	34,000				
13	7	34,000				
14	8	34,000*	34,000			
15	Between 8					
16	and 9	38,000	42,000			
17	9	39,000	42,500			
18	10	40,000	43,500			
19	11		44,000			
20	12		45,000	50,000		
21	13		45,500	50,500		
22	14		46,500	51,500		
23	15		47,000	52,000		
24	16		48,000	52,500	58,000	
25						

1	17	48,500	53,500	58,500	
2	18	49,500	54,000	59,000	
3	19	50,000	54,500	60,000	
4	20	51,000	55,500	60,500	66,000
5	21	51,500	56,000	61,000	66,500
6	22	52,500	56,500	61,500	67,000
7	23	53,000	57,500	62,500	68,000
8	24	54,000	58,000	63,000	68,500
9	25	54,500	58,500	63,500	69,000
10	26	55,500	59,500	64,000	69,500
11	27	56,000	60,000	65,000	70,000
12	28	57,000	60,500	65,500	71,000
13	29	57,500	61,500	66,000	71,500
14	30	58,500	62,000	66,500	72,000
15	31	59,000	62,500	67,500	72,500
16	32	60,000	63,500	68,000	73,000
17	33		64,000	68,500	74,000
18	34		64,500	69,000	74,500
19	35		65,500	70,000	75,000
20	36		66,000**	70,500	75,500
21	37		66,500**	71,000	76,000
22	38		67,500**	72,000	77,000
23	39		68,000	72,500	77,500
24	40		68,500	73,000	78,000
25	41		69,500	73,500	78,500
26	42		70,000	74,000	79,000

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1	43	70,500	75,000	80,000
2	44	71,500	75,500	
3	45	72,000	76,000	
4	46	72,500	76,500	
5	47	73,500	77,500	
6	48	74,000	78,000	
7	49	74,500	78,500	

8	50	75,500	79,000
9	51	76,000	80,000
10	52	76,500	
11	53	77,500	
12	54	78,000	
13	55	78,500	
14	56	79,500	
15	57	80,000	

16 *If the distance between 2 axles is 96 inches or less, the 2
17 axles are tandem axles and the maximum total weight may not
18 exceed 34,000 pounds, notwithstanding the higher limit
19 resulting from the application of the formula.

20 **Two consecutive sets of tandem axles may carry 34,000 pounds
21 each if the overall distance between the first and last axles
22 of these tandems is 36 feet or more.

23 Vehicles not in a combination having more than 4 axles may
24 not exceed the weight in the table in this subsection (a) for 4
25 axles measured between the extreme axles of the vehicle.

26 Vehicles in a combination having more than 6 axles may not

1 exceed the weight in the table in this subsection (a) for 6
2 axles measured between the extreme axles of the combination.

3 Local authorities, with respect to streets and highways
4 under their jurisdiction, without additional fees, may also by
5 ordinance or resolution allow the weight limitations of this
6 subsection, provided the maximum gross weight on any one axle
7 shall not exceed 20,000 pounds and the maximum total weight on
8 any tandem axle shall not exceed 34,000 pounds, on designated
9 highways when appropriate regulatory signs giving notice are
10 erected upon the street or highway or portion of any street or
11 highway affected by the ordinance or resolution.

12 The following are exceptions to the above formula:

13 (1) Vehicles for which a different limit is
14 established and posted in accordance with Section 15-316
15 of this Code.

16 (2) Vehicles for which the Department of
17 Transportation and local authorities issue overweight
18 permits under authority of Section 15-301 of this Code.

19 These vehicles are not subject to the bridge formula.
20 (3) Cities having a population of more than 50,000 may
21 permit by ordinance axle loads on 2-axle motor vehicles 33
22 1/2% above those provided for herein, but the increase
23 shall not become effective until the city has officially
24 notified the Department of the passage of the ordinance
25 and shall not apply to those vehicles when outside of the
26 limits of the city, nor shall the gross weight of any

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1 2-axle motor vehicle operating over any street of the city
2 exceed 40,000 pounds.

3 (4) Weight limitations shall not apply to vehicles
4 (including loads) operated by a public utility when
5 transporting equipment required for emergency repair of
6 public utility facilities or properties or water wells.

7 (4.5) A 3-axle or 4-axle vehicle (including when
8 laden) operated or hired by a municipality within Cook,
9 Lake, McHenry, Kane, DuPage, or Will county being operated
10 for the purpose of performing emergency sewer repair that
11 would be subject to a weight limitation less than 66,000
12 pounds under the formula in this subsection (a) shall have
13 a weight limitation of 66,000 pounds or the vehicle's
14 gross vehicle weight rating, whichever is less. This
15 paragraph (4.5) does not apply to vehicles being operated
16 on the National System of Interstate and Defense Highways,
17 or to vehicles being operated on bridges or other elevated
18 structures constituting a part of a highway.

19 (5) Two consecutive sets of tandem axles may carry a
20 total weight of 34,000 pounds each if the overall distance
21 between the first and last axles of the consecutive sets
22 of tandem axles is 36 feet or more, notwithstanding the
23 lower limit resulting from the application of the above
24 formula.

25 (6) A truck, not in combination and used exclusively
26 for the collection of rendering materials, may, when

1 laden, transmit upon the road surface, except when on part
2 of the National System of Interstate and Defense Highways,
3 the following maximum weights: 22,000 pounds on a single
4 axle; 40,000 pounds on a tandem axle.

5 (7) A truck not in combination, equipped with a self
6 compactor or an industrial roll-off hoist and roll-off
7 container, used exclusively for garbage, refuse, or
8 recycling operations, may, when laden, transmit upon the
9 road surface, except when on part of the National System
10 of Interstate and Defense Highways, the following maximum
11 weights: 22,000 pounds on a single axle; 40,000 pounds on
12 a tandem axle; 40,000 pounds gross weight on a 2-axle
13 vehicle; 54,000 pounds gross weight on a 3-axle vehicle.
14 This vehicle is not subject to the bridge formula.

15 (7.5) A 3-axle rear discharge truck mixer registered
16 as a Special Hauling Vehicle, used exclusively for the
17 mixing and transportation of concrete in the plastic
18 state, may, when laden, transmit upon the road surface,
19 except when on part of the National System of Interstate
20 and Defense Highways, the following maximum weights:
21 22,000 pounds on single axle; 40,000 pounds on a tandem
22 axle; 54,000 pounds gross weight on a 3-axle vehicle. This
23 vehicle is not subject to the bridge formula.

24 (8) Except as provided in paragraph (7.5) of this
25 subsection (a), tandem axles on a 3-axle truck registered
26 as a Special Hauling Vehicle, ~~manufactured prior to or in~~

1 ~~the model year of 2024 and first registered in Illinois~~
2 ~~prior to January 1, 2025,~~ with a distance greater than 72
3 inches but not more than 96 inches between any series of 2
4 axles, is allowed a combined weight on the series not to
5 exceed 36,000 pounds and neither axle of the series may
6 exceed 20,000 pounds. Any vehicle of this type—
7 ~~manufactured after the model year of 2024 or first~~
8 ~~registered in Illinois after December 31, 2024~~ may not
9 exceed a combined weight of 34,000 pounds through the
10 series of 2 axles and neither axle of the series may exceed

11 20,000 pounds.

12 A 3-axle combination sewer cleaning jetting vacuum
13 truck registered as a Special Hauling Vehicle, used
14 exclusively for the transportation of non-hazardous solid
15 waste, ~~manufactured before or in the model year of 2014,~~
16 ~~first registered in Illinois before January 1, 2015,~~ may,
17 when laden, transmit upon the road surface, except when on
18 part of the National System of Interstate and Defense
19 Highways, the following maximum weights: 22,000 pounds on
20 a single axle; 40,000 pounds on a tandem axle; 54,000
21 pounds gross weight on a 3-axle vehicle. This vehicle is
22 not subject to the bridge formula.

23 (9) A 4-axle truck mixer registered as a Special
24 Hauling Vehicle, used exclusively for the mixing and
25 transportation of concrete in the plastic state, and not
26 operated on a highway that is part of the National System

1 of Interstate Highways, is allowed the following maximum
2 weights: 20,000 pounds on any single axle; 36,000 pounds
3 on a series of axles greater than 72 inches but not more
4 than 96 inches; and 34,000 pounds on any series of 2 axles
5 greater than 40 inches but not more than 72 inches. The
6 gross weight of this vehicle may not exceed the weights
7 allowed by the bridge formula for 4 axles. The bridge
8 formula does not apply to any series of 3 axles while the
9 vehicle is transporting concrete in the plastic state, but
10 no axle or tandem axle of the series may exceed the maximum
11 weight permitted under this paragraph (9) of subsection
12 (a).

13 (10) Combinations of vehicles, registered as Special
14 Hauling Vehicles that include a semitrailer ~~manufactured~~
15 ~~prior to or in the model year of 2024, and registered in~~
16 ~~Illinois prior to January 1, 2025,~~ having 5 axles with a
17 distance of 42 feet or less between extreme axles, may not
18 exceed the following maximum weights: 20,000 pounds on a
19 single axle; 34,000 pounds on a tandem axle; and 72,000
20 pounds gross weight. This combination of vehicles is not
21 subject to the bridge formula. For all those combinations
22 of vehicles that include a semitrailer manufactured after

23 the effective date of P.A. 92-0417, the overall distance
24 between the first and last axles of the 2 sets of tandems
25 must be 18 feet 6 inches or more. ~~Any combination of~~
26 ~~vehicles that has had its cargo container replaced in its~~

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1 ~~entirety after December 31, 2024 may not exceed the~~
2 ~~weights allowed by the bridge formula.~~

3 (11) The maximum weight allowed on a vehicle with
4 crawler type tracks is 40,000 pounds.

5 (12) A combination of vehicles, including a tow truck
6 and a disabled vehicle or disabled combination of
7 vehicles, that exceeds the weight restriction imposed by
8 this Code, may be operated on a public highway in this
9 State provided that neither the disabled vehicle nor any
10 vehicle being towed nor the tow truck itself shall exceed
11 the weight limitations permitted under this Chapter.
12 During the towing operation, neither the tow truck nor the
13 vehicle combination shall exceed 24,000 pounds on a single
14 rear axle and 44,000 pounds on a tandem rear axle,
15 provided the towing vehicle:

16 (i) is specifically designed as a tow truck having
17 a gross vehicle weight rating of at least 18,000
18 pounds and is equipped with air brakes, provided that
19 air brakes are required only if the towing vehicle is
20 towing a vehicle, semitrailer, or tractor-trailer
21 combination that is equipped with air brakes;

22 (ii) is equipped with flashing, rotating, or
23 oscillating amber lights, visible for at least 500
24 feet in all directions;

25 (iii) is capable of utilizing the lighting and
26 braking systems of the disabled vehicle or combination

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1 of vehicles; and

2 (iv) does not engage in a tow exceeding 20 miles

3 from the initial point of wreck or disablement. Any
4 additional movement of the vehicles may occur only
5 upon issuance of authorization for that movement under
6 the provisions of Sections 15-301 through 15-318 of
7 this Code. The towing vehicle, however, may tow any
8 disabled vehicle to a point where repairs are actually
9 to occur. This movement shall be valid only on State
10 routes. The tower must abide by posted bridge weight
11 limits.

12 (12.5) The vehicle weight limitations in this Section
13 do not apply to a covered heavy duty tow and recovery
14 vehicle. The covered heavy duty tow and recovery vehicle
15 license plate must cover the operating empty weight of the
16 covered heavy duty tow and recovery vehicle only.

17 (13) Upon and during a declaration of an emergency
18 propane supply disaster by the Governor under Section 7 of
19 the Illinois Emergency Management Agency Act:

20 (i) a truck not in combination, equipped with a
21 cargo tank, used exclusively for the transportation of
22 propane or liquefied petroleum gas may, when laden,
23 transmit upon the road surface, except when on part of
24 the National System of Interstate and Defense
25 Highways, the following maximum weights: 22,000 pounds
26 on a single axle; 40,000 pounds on a tandem axle;

1 40,000 pounds gross weight on a 2-axle vehicle; 54,000
2 pounds gross weight on a 3-axle vehicle; and

3 (ii) a truck when in combination with a trailer
4 equipped with a cargo tank used exclusively for the
5 transportation of propane or liquefied petroleum gas
6 may, when laden, transmit upon the road surface,
7 except when on part of the National System of
8 Interstate and Defense Highways, the following maximum
9 weights: 22,000 pounds on a single axle; 40,000 pounds
10 on a tandem axle; 90,000 pounds gross weight on a
11 5-axle or 6-axle vehicle.

12 Vehicles operating under this paragraph (13) are not
13 subject to the bridge formula.

14 (14) A vehicle or combination of vehicles that uses

15 natural gas or propane gas as a motor fuel may exceed the
16 above weight limitations by up to 2,000 pounds, the total
17 allowance is calculated by an amount that is equal to the
18 difference between the weight of the vehicle attributable
19 to the natural gas or propane gas tank and fueling system
20 carried by the vehicle, and the weight of a comparable
21 diesel tank and fueling system. This paragraph (14) shall
22 not allow a vehicle to exceed any posted weight limit on a
23 highway or structure.

24 (15) An emergency vehicle or fire apparatus that is a
25 vehicle designed to be used under emergency conditions to
26 transport personnel and equipment, and used to support the

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1 suppression of fires and mitigation of other hazardous
2 situations on a Class I highway, may not exceed 86,000
3 pounds gross weight, or any of the following weight
4 allowances:

- 5 (i) 24,000 pounds on a single steering axle;
- 6 (ii) 33,500 pounds on a single drive axle;
- 7 (iii) 62,000 pounds on a tandem axle; or
- 8 (iv) 52,000 pounds on a tandem rear drive steer
9 axle.

10 (16) A bus, motor coach, or recreational vehicle may
11 carry a total weight of 24,000 pounds on a single axle, but
12 may not exceed other weight provisions of this Section.

13 Gross weight limits shall not apply to the combination of
14 the tow truck and vehicles being towed. The tow truck license
15 plate must cover the operating empty weight of the tow truck
16 only. The weight of each vehicle being towed shall be covered
17 by a valid license plate issued to the owner or operator of the
18 vehicle being towed and displayed on that vehicle. If no valid
19 plate issued to the owner or operator of that vehicle is
20 displayed on that vehicle, or the plate displayed on that
21 vehicle does not cover the weight of the vehicle, the weight of
22 the vehicle shall be covered by the third tow truck plate
23 issued to the owner or operator of the tow truck and
24 temporarily affixed to the vehicle being towed. If a roll-back
25 carrier is registered and being used as a tow truck, however,
26 the license plate or plates for the tow truck must cover the

1 gross vehicle weight, including any load carried on the bed of
2 the roll-back carrier.

3 The Department may by rule or regulation prescribe
4 additional requirements. However, nothing in this Code shall
5 prohibit a tow truck under instructions of a police officer
6 from legally clearing a disabled vehicle, that may be in
7 violation of weight limitations of this Chapter, from the
8 roadway to the berm or shoulder of the highway. If in the
9 opinion of the police officer that location is unsafe, the
10 officer is authorized to have the disabled vehicle towed to
11 the nearest place of safety.

12 For the purpose of this subsection, gross vehicle weight
13 rating, or GVWR, means the value specified by the manufacturer
14 as the loaded weight of the tow truck.

15 (b) As used in this Section, "recycling haul" or
16 "recycling operation" means the hauling of non-hazardous,
17 non-special, non-putrescible materials, such as paper, glass,
18 cans, or plastic, for subsequent use in the secondary
19 materials market.

20 (c) No vehicle or combination of vehicles equipped with
21 pneumatic tires shall be operated, unladen or with load, upon
22 the highways of this State in violation of the provisions of
23 any permit issued under the provisions of Sections 15-301
24 through 15-318 of this Chapter.

25 (d) No vehicle or combination of vehicles equipped with
26 other than pneumatic tires may be operated, unladen or with

1 load, upon the highways of this State when the gross weight on
2 the road surface through any wheel exceeds 800 pounds per inch
3 width of tire tread or when the gross weight on the road
4 surface through any axle exceeds 16,000 pounds.

5 (e) No person shall operate a vehicle or combination of
6 vehicles over a bridge or other elevated structure

7 constituting part of a highway with a gross weight that is
8 greater than the maximum weight permitted by the Department,
9 when the structure is sign posted as provided in this Section.

10 (f) The Department upon request from any local authority
11 shall, or upon its own initiative may, conduct an
12 investigation of any bridge or other elevated structure
13 constituting a part of a highway, and if it finds that the
14 structure cannot with safety to itself withstand the weight of
15 vehicles otherwise permissible under this Code the Department
16 shall determine and declare the maximum weight of vehicles
17 that the structures can withstand, and shall cause or permit
18 suitable signs stating maximum weight to be erected and
19 maintained before each end of the structure. No person shall
20 operate a vehicle or combination of vehicles over any
21 structure with a gross weight that is greater than the posted
22 maximum weight.

23 (g) Upon the trial of any person charged with a violation
24 of subsection (e) or (f) of this Section, proof of the
25 determination of the maximum allowable weight by the
26 Department and the existence of the signs, constitutes

1 conclusive evidence of the maximum weight that can be
2 maintained with safety to the bridge or structure.
3 (Source: P.A. 102-124, eff. 7-23-21.)

4 (Text of Section after amendment by P.A. 104-436)

5 Sec. 15-111. Wheel and axle loads and gross weights.

6 (a) No vehicle or combination of vehicles with pneumatic
7 tires may be operated, unladen or with load, when the total
8 weight on the road surface exceeds the following: 20,000
9 pounds on a single axle; 34,000 pounds on a tandem axle with no
10 axle within the tandem exceeding 20,000 pounds; 80,000 pounds
11 gross weight for vehicle combinations of 5 or more axles; or a
12 total weight on a group of 2 or more consecutive axles in
13 excess of that weight produced by the application of the
14 following formula: $W = 500 \text{ times the sum of } (LN \text{ divided by } N-1)$
15 $+ 12N + 36$, where "W" equals overall total weight on any group
16 of 2 or more consecutive axles to the nearest 500 pounds, "L"
17 equals the distance measured to the nearest foot between

18 extremes of any group of 2 or more consecutive axles, and "N"
 19 equals the number of axles in the group under consideration.
 20 The above formula when expressed in tabular form results
 21 in allowable loads as follows:
 22 Distance measured
 23 to the nearest
 24 foot between the

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1 extremes of any Maximum weight in pounds
 2 group of 2 or of any group of
 3 more consecutive 2 or more consecutive axles
 4 axles

5	feet	2 axles	3 axles	4 axles	5 axles	6 axles
6	4	34,000				
7	5	34,000				
8	6	34,000				
9	7	34,000				
10	8	34,000*	34,000			
11	Between 8					
12	and 9	38,000	42,000			
13	9	39,000	42,500			
14	10	40,000	43,500			
15	11		44,000			
16	12		45,000	50,000		
17	13		45,500	50,500		
18	14		46,500	51,500		
19	15		47,000	52,000		
20	16		48,000	52,500	58,000	
21	17		48,500	53,500	58,500	
22	18		49,500	54,000	59,000	
23	19		50,000	54,500	60,000	
24	20		51,000	55,500	60,500	66,000
25	21		51,500	56,000	61,000	66,500
26	22		52,500	56,500	61,500	67,000

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1	23	53,000	57,500	62,500	68,000
2	24	54,000	58,000	63,000	68,500
3	25	54,500	58,500	63,500	69,000
4	26	55,500	59,500	64,000	69,500
5	27	56,000	60,000	65,000	70,000
6	28	57,000	60,500	65,500	71,000
7	29	57,500	61,500	66,000	71,500
8	30	58,500	62,000	66,500	72,000
9	31	59,000	62,500	67,500	72,500
10	32	60,000	63,500	68,000	73,000
11	33		64,000	68,500	74,000
12	34		64,500	69,000	74,500
13	35		65,500	70,000	75,000
14	36		66,000**	70,500	75,500
15	37		66,500**	71,000	76,000
16	38		67,500**	72,000	77,000
17	39		68,000	72,500	77,500
18	40		68,500	73,000	78,000
19	41		69,500	73,500	78,500
20	42		70,000	74,000	79,000
21	43		70,500	75,000	80,000
22	44		71,500	75,500	
23	45		72,000	76,000	
24	46		72,500	76,500	
25	47		73,500	77,500	
26	48		74,000	78,000	

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1	49	74,500	78,500
2	50	75,500	79,000
3	51	76,000	80,000

4	52	76,500
5	53	77,500
6	54	78,000
7	55	78,500
8	56	79,500
9	57	80,000

10 *If the distance between 2 axles is 96 inches or less, the 2
11 axles are tandem axles and the maximum total weight may not
12 exceed 34,000 pounds, notwithstanding the higher limit
13 resulting from the application of the formula.

14 **Two consecutive sets of tandem axles may carry 34,000 pounds
15 each if the overall distance between the first and last axles
16 of these tandems is 36 feet or more.

17 Vehicles not in a combination having more than 4 axles may
18 not exceed the weight in the table in this subsection (a) for 4
19 axles measured between the extreme axles of the vehicle.

20 Vehicles in a combination having more than 6 axles may not
21 exceed the weight in the table in this subsection (a) for 6
22 axles measured between the extreme axles of the combination.

23 Local authorities, with respect to streets and highways
24 under their jurisdiction, without additional fees, may also by
25 ordinance or resolution allow the weight limitations of this
26 subsection, provided the maximum gross weight on any one axle

1 shall not exceed 20,000 pounds and the maximum total weight on
2 any tandem axle shall not exceed 34,000 pounds, on designated
3 highways when appropriate regulatory signs giving notice are
4 erected upon the street or highway or portion of any street or
5 highway affected by the ordinance or resolution.

6 The following are exceptions to the above formula:

7 (1) Vehicles for which a different limit is
8 established and posted in accordance with Section 15-316
9 of this Code.

10 (2) Vehicles for which the Department of
11 Transportation and local authorities issue overweight
12 permits under authority of Section 15-301 of this Code.
13 These vehicles are not subject to the bridge formula.

14 (3) Cities having a population of more than 50,000 may

15 permit by ordinance axle loads on 2-axle motor vehicles 33
16 1/2% above those provided for herein, but the increase
17 shall not become effective until the city has officially
18 notified the Department of the passage of the ordinance
19 and shall not apply to those vehicles when outside of the
20 limits of the city, nor shall the gross weight of any
21 2-axle motor vehicle operating over any street of the city
22 exceed 40,000 pounds.

23 (4) Weight limitations shall not apply to vehicles
24 (including loads) operated by a public utility when
25 transporting equipment required for emergency repair of
26 public utility facilities or properties or water wells.

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1 (4.5) A 3-axle or 4-axle vehicle (including when
2 laden) operated or hired by a municipality within Cook,
3 Lake, McHenry, Kane, DuPage, or Will county being operated
4 for the purpose of performing emergency sewer repair that
5 would be subject to a weight limitation less than 66,000
6 pounds under the formula in this subsection (a) shall have
7 a weight limitation of 66,000 pounds or the vehicle's
8 gross vehicle weight rating, whichever is less. This
9 paragraph (4.5) does not apply to vehicles being operated
10 on the National System of Interstate and Defense Highways,
11 or to vehicles being operated on bridges or other elevated
12 structures constituting a part of a highway.

13 (5) Two consecutive sets of tandem axles may carry a
14 total weight of 34,000 pounds each if the overall distance
15 between the first and last axles of the consecutive sets
16 of tandem axles is 36 feet or more, notwithstanding the
17 lower limit resulting from the application of the above
18 formula.

19 (6) A truck, not in combination and used exclusively
20 for the collection of rendering materials, may, when
21 laden, transmit upon the road surface, except when on part
22 of the National System of Interstate and Defense Highways,
23 the following maximum weights: 22,000 pounds on a single
24 axle; 40,000 pounds on a tandem axle.

25 (7) A truck not in combination, equipped with a self
26 compactor or an industrial roll-off hoist and roll-off

1 container, used exclusively for garbage, refuse, or
2 recycling operations, may, when laden, transmit upon the
3 road surface, except when on part of the National System
4 of Interstate and Defense Highways, the following maximum
5 weights: 22,000 pounds on a single axle; 40,000 pounds on
6 a tandem axle; 40,000 pounds gross weight on a 2-axle
7 vehicle; 54,000 pounds gross weight on a 3-axle vehicle.
8 This vehicle is not subject to the bridge formula.

9 (7.5) A 3-axle rear discharge truck mixer registered
10 as a Special Hauling Vehicle, used exclusively for the
11 mixing and transportation of concrete in the plastic
12 state, may, when laden, transmit upon the road surface,
13 except when on part of the National System of Interstate
14 and Defense Highways, the following maximum weights:
15 22,000 pounds on single axle; 40,000 pounds on a tandem
16 axle; 54,000 pounds gross weight on a 3-axle vehicle. This
17 vehicle is not subject to the bridge formula.

18 (8) Except as provided in paragraph (7.5) of this
19 subsection (a), tandem axles on a 3-axle truck registered
20 as a Special Hauling Vehicle, ~~manufactured prior to or in~~
21 ~~the model year of 2024 and first registered in Illinois~~
22 ~~prior to January 1, 2025,~~ with a distance greater than 72
23 inches but not more than 96 inches between any series of 2
24 axles, is allowed a combined weight on the series not to
25 exceed 36,000 pounds and neither axle of the series may
26 exceed 20,000 pounds. Any vehicle of this type

1 ~~manufactured after the model year of 2024 or first~~
2 ~~registered in Illinois after December 31, 2024~~ may not
3 exceed a combined weight of 34,000 pounds through the
4 series of 2 axles and neither axle of the series may exceed
5 20,000 pounds.

6 A 3-axle combination sewer cleaning jetting vacuum

7 truck registered as a Special Hauling Vehicle, used
8 exclusively for the transportation of non-hazardous solid
9 waste, ~~manufactured before or in the model year of 2014,~~
10 ~~first registered in Illinois before January 1, 2015,~~ may,
11 when laden, transmit upon the road surface, except when on
12 part of the National System of Interstate and Defense
13 Highways, the following maximum weights: 22,000 pounds on
14 a single axle; 40,000 pounds on a tandem axle; 54,000
15 pounds gross weight on a 3-axle vehicle. This vehicle is
16 not subject to the bridge formula.

17 (9) A 4-axle truck mixer registered as a Special
18 Hauling Vehicle, used exclusively for the mixing and
19 transportation of concrete in the plastic state, and not
20 operated on a highway that is part of the National System
21 of Interstate Highways, is allowed the following maximum
22 weights: 20,000 pounds on any single axle; 36,000 pounds
23 on a series of axles greater than 72 inches but not more
24 than 96 inches; and 34,000 pounds on any series of 2 axles
25 greater than 40 inches but not more than 72 inches. The
26 gross weight of this vehicle may not exceed the weights

1 allowed by the bridge formula for 4 axles. The bridge
2 formula does not apply to any series of 3 axles while the
3 vehicle is transporting concrete in the plastic state, but
4 no axle or tandem axle of the series may exceed the maximum
5 weight permitted under this paragraph (9) of subsection
6 (a).

7 (10) Combinations of vehicles, registered as Special
8 Hauling Vehicles that include a semitrailer ~~manufactured~~
9 ~~prior to or in the model year of 2024, and registered in~~
10 ~~Illinois prior to January 1, 2025,~~ having 5 axles with a
11 distance of 42 feet or less between extreme axles, may not
12 exceed the following maximum weights: 20,000 pounds on a
13 single axle; 34,000 pounds on a tandem axle; and 72,000
14 pounds gross weight. This combination of vehicles is not
15 subject to the bridge formula. For all those combinations
16 of vehicles that include a semitrailer manufactured after
17 the effective date of P.A. 92-0417, the overall distance
18 between the first and last axles of the 2 sets of tandems

19 must be 18 feet 6 inches or more. ~~Any combination of~~
20 ~~vehicles that has had its cargo container replaced in its~~
21 ~~entirety after December 31, 2024 may not exceed the~~
22 ~~weights allowed by the bridge formula.~~

23 (11) The maximum weight allowed on a vehicle with
24 crawler type tracks is 40,000 pounds.

25 (12) A combination of vehicles, including a tow truck
26 and a disabled vehicle or disabled combination of

1 vehicles, that exceeds the weight restriction imposed by
2 this Code, may be operated on a public highway in this
3 State provided that neither the disabled vehicle nor any
4 vehicle being towed nor the tow truck itself shall exceed
5 the weight limitations permitted under this Chapter.
6 During the towing operation, neither the tow truck nor the
7 vehicle combination shall exceed 24,000 pounds on a single
8 rear axle and 44,000 pounds on a tandem rear axle,
9 provided the towing vehicle:

10 (i) is specifically designed as a tow truck having
11 a gross vehicle weight rating of at least 18,000
12 pounds and is equipped with air brakes, provided that
13 air brakes are required only if the towing vehicle is
14 towing a vehicle, semitrailer, or tractor-trailer
15 combination that is equipped with air brakes;

16 (ii) is equipped with flashing, rotating, or
17 oscillating amber lights, visible for at least 500
18 feet in all directions;

19 (iii) is capable of utilizing the lighting and
20 braking systems of the disabled vehicle or combination
21 of vehicles; and

22 (iv) does not engage in a tow exceeding 20 miles
23 from the initial point of wreck or disablement. Any
24 additional movement of the vehicles may occur only
25 upon issuance of authorization for that movement under
26 the provisions of Sections 15-301 through 15-318 of

1 this Code. The towing vehicle, however, may tow any
2 disabled vehicle to a point where repairs are actually
3 to occur. This movement shall be valid only on State
4 routes. The tower must abide by posted bridge weight
5 limits.

6 (12.5) The vehicle weight limitations in this Section
7 do not apply to a covered heavy duty tow and recovery
8 vehicle. The covered heavy duty tow and recovery vehicle
9 license plate must cover the operating empty weight of the
10 covered heavy duty tow and recovery vehicle only.

11 (13) Upon and during a declaration of an emergency
12 propane supply disaster by the Governor under Section 7 of
13 the Illinois Emergency Management Agency Act:

14 (i) a truck not in combination, equipped with a
15 cargo tank, used exclusively for the transportation of
16 propane or liquefied petroleum gas may, when laden,
17 transmit upon the road surface, except when on part of
18 the National System of Interstate and Defense
19 Highways, the following maximum weights: 22,000 pounds
20 on a single axle; 40,000 pounds on a tandem axle;
21 40,000 pounds gross weight on a 2-axle vehicle; 54,000
22 pounds gross weight on a 3-axle vehicle; and

23 (ii) a truck when in combination with a trailer
24 equipped with a cargo tank used exclusively for the
25 transportation of propane or liquefied petroleum gas
26 may, when laden, transmit upon the road surface,

1 except when on part of the National System of
2 Interstate and Defense Highways, the following maximum
3 weights: 22,000 pounds on a single axle; 40,000 pounds
4 on a tandem axle; 90,000 pounds gross weight on a
5 5-axle or 6-axle vehicle.

6 Vehicles operating under this paragraph (13) are not
7 subject to the bridge formula.

8 (14) A vehicle or combination of vehicles that uses
9 either natural gas or propane gas as a motor fuel or is
10 operated by an engine fueled wholly or partially by an

electric battery or hydrogen fuel cell electric fueling system may exceed the above weight limitations by up to 2,000 pounds, the total allowance is calculated by an amount that is equal to the difference between the weight of the vehicle attributable to the natural gas or propane or hydrogen gas tank, batteries, and fueling system carried by the vehicle, and the weight of a comparable diesel tank and fueling system. This paragraph (14) shall not allow a vehicle to exceed any posted weight limit on a highway or structure.

(15) An emergency vehicle or fire apparatus that is a vehicle designed to be used under emergency conditions to transport personnel and equipment, and used to support the suppression of fires and mitigation of other hazardous situations on a Class I highway, may not exceed 86,000 pounds gross weight, or any of the following weight

allowances:

- (i) 24,000 pounds on a single steering axle;
- (ii) 33,500 pounds on a single drive axle;
- (iii) 62,000 pounds on a tandem axle; or
- (iv) 52,000 pounds on a tandem rear drive steer axle.

(16) A bus, motor coach, or recreational vehicle may carry a total weight of 24,000 pounds on a single axle, but may not exceed other weight provisions of this Section.

Gross weight limits shall not apply to the combination of the tow truck and vehicles being towed. The tow truck license plate must cover the operating empty weight of the tow truck only. The weight of each vehicle being towed shall be covered by a valid license plate issued to the owner or operator of the vehicle being towed and displayed on that vehicle. If no valid plate issued to the owner or operator of that vehicle is displayed on that vehicle, or the plate displayed on that vehicle does not cover the weight of the vehicle, the weight of the vehicle shall be covered by the third tow truck plate issued to the owner or operator of the tow truck and temporarily affixed to the vehicle being towed. If a roll-back carrier is registered and being used as a tow truck, however,

23 the license plate or plates for the tow truck must cover the
24 gross vehicle weight, including any load carried on the bed of
25 the roll-back carrier.
26 The Department may by rule or regulation prescribe

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1 additional requirements. However, nothing in this Code shall
2 prohibit a tow truck under instructions of a police officer
3 from legally clearing a disabled vehicle, that may be in
4 violation of weight limitations of this Chapter, from the
5 roadway to the berm or shoulder of the highway. If in the
6 opinion of the police officer that location is unsafe, the
7 officer is authorized to have the disabled vehicle towed to
8 the nearest place of safety.

9 For the purpose of this subsection, gross vehicle weight
10 rating, or GVWR, means the value specified by the manufacturer
11 as the loaded weight of the tow truck.

12 (b) As used in this Section, "recycling haul" or
13 "recycling operation" means the hauling of non-hazardous,
14 non-special, non-putrescible materials, such as paper, glass,
15 cans, or plastic, for subsequent use in the secondary
16 materials market.

17 (c) No vehicle or combination of vehicles equipped with
18 pneumatic tires shall be operated, unladen or with load, upon
19 the highways of this State in violation of the provisions of
20 any permit issued under the provisions of Sections 15-301
21 through 15-318 of this Chapter.

22 (d) No vehicle or combination of vehicles equipped with
23 other than pneumatic tires may be operated, unladen or with
24 load, upon the highways of this State when the gross weight on
25 the road surface through any wheel exceeds 800 pounds per inch
26 width of tire tread or when the gross weight on the road

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1 surface through any axle exceeds 16,000 pounds.

2 (e) No person shall operate a vehicle or combination of

3 vehicles over a bridge or other elevated structure
4 constituting part of a highway with a gross weight that is
5 greater than the maximum weight permitted by the Department,
6 when the structure is sign posted as provided in this Section.

7 (f) The Department upon request from any local authority
8 shall, or upon its own initiative may, conduct an
9 investigation of any bridge or other elevated structure
10 constituting a part of a highway, and if it finds that the
11 structure cannot with safety to itself withstand the weight of
12 vehicles otherwise permissible under this Code the Department
13 shall determine and declare the maximum weight of vehicles
14 that the structures can withstand, and shall cause or permit
15 suitable signs stating maximum weight to be erected and
16 maintained before each end of the structure. No person shall
17 operate a vehicle or combination of vehicles over any
18 structure with a gross weight that is greater than the posted
19 maximum weight.

20 (g) Upon the trial of any person charged with a violation
21 of subsection (e) or (f) of this Section, proof of the
22 determination of the maximum allowable weight by the
23 Department and the existence of the signs, constitutes
24 conclusive evidence of the maximum weight that can be
25 maintained with safety to the bridge or structure.

26 (Source: P.A. 104-436, eff. 6-1-26.)

1 (625 ILCS 5/15-312) (from Ch. 95 1/2, par. 15-312)

2 Sec. 15-312. Fees for police escort. When State Police
3 escorts are required by the Department of Transportation for
4 the safety of the motoring public, the following fees shall be
5 paid by the applicant:

6 (1) to the Department of Transportation: \$40 per hour
7 per vehicle based upon the pre-estimated time of the
8 movement to be agreed upon between the Department and the
9 applicant, with a minimum fee of \$80 per vehicle; and

10 (2) to the Illinois State Police: ~~\$125~~ ~~\$75~~ per hour
11 per State Police vehicle based upon the actual time of the
12 movement, with a minimum fee of ~~\$500~~ ~~\$300~~ per State Police
13 vehicle. The Illinois State Police shall remit the moneys

14 to the State Treasurer, who shall deposit the moneys into
15 the State Police Operations Assistance Fund.
16 The actual time of the movement shall be the time the
17 police escort is required to pick up the movement to the time
18 the movement is completed. Any delays or breakdowns shall be
19 considered part of the movement time. Any fraction of an hour
20 shall be rounded up to the next whole hour.
21 The State Police may use an online payment system to
22 accept fees for police escorts.
23 (Source: P.A. 102-505, eff. 8-20-21; 103-706, eff. 1-1-25.)

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1 Section 100-5. The Illinois State Auditing Act is amended
2 by changing Section 3-1 as follows:

3 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

4 (Text of Section before amendment by P.A. 104-457)

5 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
6 General has jurisdiction over all State agencies to make post
7 audits and investigations authorized by or under this Act or
8 the Constitution.

9 The Auditor General has jurisdiction over local government
10 agencies and private agencies only:

11 (a) to make such post audits authorized by or under
12 this Act as are necessary and incidental to a post audit of
13 a State agency or of a program administered by a State
14 agency involving public funds of the State, but this
15 jurisdiction does not include any authority to review
16 local governmental agencies in the obligation, receipt,
17 expenditure or use of public funds of the State that are
18 granted without limitation or condition imposed by law,
19 other than the general limitation that such funds be used
20 for public purposes;

21 (b) to make investigations authorized by or under this
22 Act or the Constitution; and

23 (c) to make audits of the records of local government
24 agencies to verify actual costs of state-mandated programs

1 when directed to do so by the Legislative Audit Commission
2 at the request of the State Board of Appeals under the
3 State Mandates Act.

4 In addition to the foregoing, the Auditor General may
5 conduct an audit of the Metropolitan Pier and Exposition
6 Authority, the Regional Transportation Authority, the Suburban
7 Bus Division, the Commuter Rail Division and the Chicago
8 Transit Authority and any other subsidized carrier when
9 authorized by the Legislative Audit Commission. Such audit may
10 be a financial, management or program audit, or any
11 combination thereof.

12 The audit shall determine whether they are operating in
13 accordance with all applicable laws and regulations. Subject
14 to the limitations of this Act, the Legislative Audit
15 Commission may by resolution specify additional determinations
16 to be included in the scope of the audit.

17 In addition to the foregoing, the Auditor General must
18 also conduct a financial audit of the Illinois Sports
19 Facilities Authority's expenditures of public funds in
20 connection with the reconstruction, renovation, remodeling,
21 extension, or improvement of all or substantially all of any
22 existing "facility", as that term is defined in the Illinois
23 Sports Facilities Authority Act.

24 The Auditor General may also conduct an audit, when
25 authorized by the Legislative Audit Commission, of any
26 hospital which receives 10% or more of its gross revenues from

1 payments from the State of Illinois, Department of Healthcare
2 and Family Services (formerly Department of Public Aid),
3 Medical Assistance Program.

4 The Auditor General is authorized to conduct financial and
5 compliance audits of the Illinois Distance Learning Foundation
6 and the Illinois Conservation Foundation.

7 As soon as practical after August 18, 1995 (the effective
8 date of Public Act 89-386), the Auditor General shall conduct
9 a compliance and management audit of the City of Chicago and
10 any other entity with regard to the operation of Chicago
11 O'Hare International Airport, Chicago Midway Airport and
12 Merrill C. Meigs Field. The audit shall include, but not be
13 limited to, an examination of revenues, expenses, and
14 transfers of funds; purchasing and contracting policies and
15 practices; staffing levels; and hiring practices and
16 procedures. When completed, the audit required by this
17 paragraph shall be distributed in accordance with Section
18 3-14.

19 The Auditor General must conduct an audit of the Health
20 Facilities and Services Review Board pursuant to Section 19.5
21 of the Illinois Health Facilities Planning Act.

22 The Auditor General of the State of Illinois shall
23 annually conduct or cause to be conducted a financial and
24 compliance audit of the books and records of any county water
25 commission organized pursuant to the Water Commission Act of
26 1985 and shall file a copy of the report of that audit with the

1 Governor and the Legislative Audit Commission. The filed audit
2 shall be open to the public for inspection. The cost of the
3 audit shall be charged to the county water commission in
4 accordance with Section 6z-27 of the State Finance Act. The
5 county water commission shall make available to the Auditor
6 General its books and records and any other documentation,
7 whether in the possession of its trustees or other parties,
8 necessary to conduct the audit required. These audit
9 requirements apply only through July 1, 2007.

10 The Auditor General must conduct audits of the Rend Lake
11 Conservancy District as provided in Section 25.5 of the River
12 Conservancy Districts Act.

13 The Auditor General must conduct financial audits of the
14 Southeastern Illinois Economic Development Authority as
15 provided in Section 70 of the Southeastern Illinois Economic
16 Development Authority Act.

17 The Auditor General shall conduct a compliance audit in
18 accordance with subsections (d) and (f) of Section 30 of the

19 Innovation Development and Economy Act.
20 The Auditor General shall conduct a compliance audit in
21 accordance with subsections (d) and (g) of Section 5-45 of the
22 Statewide Innovation Development and Economy Act.
23 (Source: P.A. 104-2, eff. 6-16-25.)
24 (Text of Section after amendment by P.A. 104-457)
25 Sec. 3-1. Jurisdiction of Auditor General. The Auditor

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1 General has jurisdiction over all State agencies to make post
2 audits and investigations authorized by or under this Act or
3 the Constitution.
4 The Auditor General has jurisdiction over local government
5 agencies and private agencies only:
6 (a) to make such post audits authorized by or under
7 this Act as are necessary and incidental to a post audit of
8 a State agency or of a program administered by a State
9 agency involving public funds of the State, but this
10 jurisdiction does not include any authority to review
11 local governmental agencies in the obligation, receipt,
12 expenditure or use of public funds of the State that are
13 granted without limitation or condition imposed by law,
14 other than the general limitation that such funds be used
15 for public purposes;
16 (b) to make investigations authorized by or under this
17 Act or the Constitution; and
18 (c) to make audits of the records of local government
19 agencies to verify actual costs of state-mandated programs
20 when directed to do so by the Legislative Audit Commission
21 at the request of the State Board of Appeals under the
22 State Mandates Act.
23 In addition to the foregoing, the Auditor General may
24 conduct an audit of the Metropolitan Pier and Exposition
25 Authority, the Northern Illinois Transit Authority, the
26 Suburban Bus Division, the Commuter Rail Division and the

1 Chicago Transit Authority and any other subsidized carrier
2 when authorized by the Legislative Audit Commission. Such
3 audit may be a financial, management or program audit, or any
4 combination thereof.

5 The audit shall determine whether they are operating in
6 accordance with all applicable laws and regulations. Subject
7 to the limitations of this Act, the Legislative Audit
8 Commission may by resolution specify additional determinations
9 to be included in the scope of the audit.

10 In addition to the foregoing, the Auditor General must
11 also conduct a financial audit of the Illinois Sports
12 Facilities Authority's expenditures of public funds in
13 connection with the reconstruction, renovation, remodeling,
14 extension, or improvement of all or substantially all of any
15 existing "facility", as that term is defined in the Illinois
16 Sports Facilities Authority Act.

17 The Auditor General may also conduct an audit, when
18 authorized by the Legislative Audit Commission, of any
19 hospital which receives 10% or more of its gross revenues from
20 payments from the State of Illinois, Department of Healthcare
21 and Family Services (formerly Department of Public Aid),
22 Medical Assistance Program.

23 The Auditor General is authorized to conduct financial and
24 compliance audits of the Illinois Distance Learning Foundation
25 and the Illinois Conservation Foundation.

26 As soon as practical after August 18, 1995 (the effective

1 date of Public Act 89-386), the Auditor General shall conduct
2 a compliance and management audit of the City of Chicago and
3 any other entity with regard to the operation of Chicago
4 O'Hare International Airport, Chicago Midway Airport and
5 Merrill C. Meigs Field. The audit shall include, but not be
6 limited to, an examination of revenues, expenses, and
7 transfers of funds; purchasing and contracting policies and
8 practices; staffing levels; and hiring practices and
9 procedures. When completed, the audit required by this
10 paragraph shall be distributed in accordance with Section

11 3-14.

12 The Auditor General must conduct an audit of the Health
13 Facilities and Services Review Board pursuant to Section 19.5
14 of the Illinois Health Facilities Planning Act.

15 The Auditor General of the State of Illinois shall
16 annually conduct or cause to be conducted a financial and
17 compliance audit of the books and records of any county water
18 commission organized pursuant to the Water Commission Act of
19 1985 and shall file a copy of the report of that audit with the
20 Governor and the Legislative Audit Commission. The filed audit
21 shall be open to the public for inspection. The cost of the
22 audit shall be charged to the county water commission in
23 accordance with Section 6z-27 of the State Finance Act. The
24 county water commission shall make available to the Auditor
25 General its books and records and any other documentation,
26 whether in the possession of its trustees or other parties,

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1 necessary to conduct the audit required. These audit
2 requirements apply only through July 1, 2007.

3 The Auditor General must conduct audits of the Rend Lake
4 Conservancy District as provided in Section 25.5 of the River
5 Conservancy Districts Act.

6 The Auditor General must conduct financial audits of the
7 Southeastern Illinois Economic Development Authority as
8 provided in Section 70 of the Southeastern Illinois Economic
9 Development Authority Act.

10 The Auditor General shall conduct a compliance audit in
11 accordance with subsections (d) and (f) of Section 30 of the
12 Innovation Development and Economy Act.

13 The Auditor General shall conduct a compliance audit in
14 accordance with subsections (d) and (g) of Section 5-45 of the
15 Statewide Innovation Development and Economy Act.

16 (Source: P.A. 104-2, eff. 6-16-25; 104-457, eff. 6-1-26.)

17 Section 100-10. The State Finance Act is amended by
18 changing Sections 6z-18 and 6z-20 as follows:

19 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

20 Sec. 6z-18. Local Government Tax Fund. A portion of the

21 money paid into the Local Government Tax Fund from sales of
22 tangible personal property taxed at the 1% rate under the
23 Retailers' Occupation Tax Act and the Service Occupation Tax
24 Act, which occurred in municipalities, shall be distributed to

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

5 Moneys transferred from the Grocery Tax Replacement Fund
6 to the Local Government Tax Fund under Section 6z-130 shall be
7 treated under this Section in the same manner as if they had
8 been remitted with the return on which they were reported.

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

24 A portion of the money paid into the Local Government Tax
25 Fund from the 6.25% general rate (and, beginning July 1, 2000
26 and through December 31, 2000, the 1.25% rate on motor fuel and

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1 gasohol, and beginning on August 6, 2010 through August 15,
2 2010, and beginning again on August 5, 2022 through August 14,

3 2022, the 1.25% rate on sales tax holiday items) on sales
4 subject to taxation under the Retailers' Occupation Tax Act
5 and the Service Occupation Tax Act, which occurred in
6 municipalities, shall be distributed to each municipality,
7 based upon the sales which occurred in that municipality. The
8 remainder shall be distributed to each county, based upon the
9 sales which occurred in the unincorporated area of such
10 county.

11 For the purpose of determining allocation to the local
12 government unit, a retail sale by a producer of coal or other
13 mineral mined in Illinois is a sale at retail at the place
14 where the coal or other mineral mined in Illinois is extracted
15 from the earth. This paragraph does not apply to coal or other
16 mineral when it is delivered or shipped by the seller to the
17 purchaser at a point outside Illinois so that the sale is
18 exempt under the United States Constitution as a sale in
19 interstate or foreign commerce.

20 Whenever the Department determines that a refund of money
21 paid into the Local Government Tax Fund should be made to a
22 claimant instead of issuing a credit memorandum, the
23 Department shall notify the State Comptroller, who shall cause
24 the order to be drawn for the amount specified, and to the
25 person named, in such notification from the Department. Such
26 refund shall be paid by the State Treasurer out of the Local

1 Government Tax Fund.

2 As soon as possible after the first day of each month,
3 beginning January 1, 2011, upon certification of the
4 Department of Revenue, the Comptroller shall order
5 transferred, and the Treasurer shall transfer, to the STAR
6 Bonds Revenue Fund the local sales tax increment, as defined
7 in the Innovation Development and Economy Act, collected
8 during the second preceding calendar month for sales within a
9 STAR bond district and deposited into the Local Government Tax
10 Fund, less 3% of that amount, which shall be transferred into
11 the Tax Compliance and Administration Fund and shall be used
12 by the Department, subject to appropriation, to cover the
13 costs of the Department in administering the Innovation
14 Development and Economy Act.

15 As soon as possible after the first day of each month,
16 beginning July 1, 2026, upon certification of the Department
17 of Revenue, the Comptroller shall order transferred, and the
18 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
19 local sales tax increment, as defined in the Statewide
20 Innovation Development and Economy Act, collected during the
21 second preceding calendar month for sales within a STAR bond
22 district and deposited into the Local Government Tax Fund,
23 less 3% of that amount, which shall be transferred to the Tax
24 Compliance and Administration Fund and shall be used by the
25 Department, subject to appropriation, to cover the costs of
26 the Department in administering the Statewide Innovation

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1 Development and Economy Act.

2 After the monthly ~~transfers~~ transfer to the STAR Bonds
3 Revenue Fund, on or before the 25th day of each calendar month,
4 the Department shall prepare and certify to the Comptroller
5 the disbursement of stated sums of money to named
6 municipalities and counties, the municipalities and counties
7 to be those entitled to distribution of taxes or penalties
8 paid to the Department during the second preceding calendar
9 month. The amount to be paid to each municipality or county
10 shall be the amount (not including credit memoranda) collected
11 during the second preceding calendar month by the Department
12 and paid into the Local Government Tax Fund, plus an amount the
13 Department determines is necessary to offset any amounts which
14 were erroneously paid to a different taxing body, and not
15 including an amount equal to the amount of refunds made during
16 the second preceding calendar month by the Department, and not
17 including any amount which the Department determines is
18 necessary to offset any amounts which are payable to a
19 different taxing body but were erroneously paid to the
20 municipality or county, and not including any amounts that are
21 transferred to the STAR Bonds Revenue Fund. Within 10 days
22 after receipt, by the Comptroller, of the disbursement
23 certification to the municipalities and counties, provided for
24 in this Section to be given to the Comptroller by the
25 Department, the Comptroller shall cause the orders to be drawn
26 for the respective amounts in accordance with the directions

1 contained in such certification.

2 When certifying the amount of monthly disbursement to a
3 municipality or county under this Section, the Department
4 shall increase or decrease that amount by an amount necessary
5 to offset any misallocation of previous disbursements. The
6 offset amount shall be the amount erroneously disbursed within
7 the 6 months preceding the time a misallocation is discovered.

8 The provisions directing the distributions from the
9 special fund in the State treasury provided for in this
10 Section shall constitute an irrevocable and continuing
11 appropriation of all amounts as provided herein. The State
12 Treasurer and State Comptroller are hereby authorized to make
13 distributions as provided in this Section.

14 In construing any development, redevelopment, annexation,
15 preannexation, or other lawful agreement in effect prior to
16 September 1, 1990, which describes or refers to receipts from
17 a county or municipal retailers' occupation tax, use tax or
18 service occupation tax which now cannot be imposed, such
19 description or reference shall be deemed to include the
20 replacement revenue for such abolished taxes, distributed from
21 the Local Government Tax Fund.

22 As soon as possible after March 8, 2013 (the effective
23 date of Public Act 98-3), the State Comptroller shall order
24 and the State Treasurer shall transfer \$6,600,000 from the
25 Local Government Tax Fund to the Illinois State Medical
26 Disciplinary Fund.

1 (Source: P.A. 102-700, Article 60, Section 60-10, eff.
2 4-19-22; 102-700, Article 65, Section 65-15, eff. 4-19-22;
3 103-154, eff. 6-30-23.)

4 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

5 (Text of Section before amendment by P.A. 104-457)

6 Sec. 6z-20. County and Mass Transit District Fund. Of the
7 money received from the 6.25% general rate (and, beginning
8 July 1, 2000 and through December 31, 2000, the 1.25% rate on
9 motor fuel and gasohol, and beginning on August 6, 2010
10 through August 15, 2010, and beginning again on August 5, 2022
11 through August 14, 2022, the 1.25% rate on sales tax holiday
12 items) on sales subject to taxation under the Retailers'
13 Occupation Tax Act and Service Occupation Tax Act and paid
14 into the County and Mass Transit District Fund, distribution
15 to the Regional Transportation Authority tax fund, created
16 pursuant to Section 4.03 of the Regional Transportation
17 Authority Act, for deposit therein shall be made based upon
18 the retail sales occurring in a county having more than
19 3,000,000 inhabitants. The remainder shall be distributed to
20 each county having 3,000,000 or fewer inhabitants based upon
21 the retail sales occurring in each such county.

22 For the purpose of determining allocation to the local
23 government unit, a retail sale by a producer of coal or other
24 mineral mined in Illinois is a sale at retail at the place
25 where the coal or other mineral mined in Illinois is extracted

1 from the earth. This paragraph does not apply to coal or other
2 mineral when it is delivered or shipped by the seller to the
3 purchaser at a point outside Illinois so that the sale is
4 exempt under the United States Constitution as a sale in
5 interstate or foreign commerce.

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

19 being located in the county. Any money paid into the Regional
20 Transportation Authority Occupation and Use Tax Replacement
21 Fund from the County and Mass Transit District Fund prior to
22 January 14, 1991, which has not been paid to the Authority
23 prior to that date, shall be transferred to the Regional
24 Transportation Authority tax fund.

25 Whenever the Department determines that a refund of money
26 paid into the County and Mass Transit District Fund should be

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1 made to a claimant instead of issuing a credit memorandum, the
2 Department shall notify the State Comptroller, who shall cause
3 the order to be drawn for the amount specified, and to the
4 person named, in such notification from the Department. Such
5 refund shall be paid by the State Treasurer out of the County
6 and Mass Transit District Fund.

7 As soon as possible after the first day of each month,
8 beginning January 1, 2011, upon certification of the
9 Department of Revenue, the Comptroller shall order
10 transferred, and the Treasurer shall transfer, to the STAR
11 Bonds Revenue Fund the local sales tax increment, as defined
12 in the Innovation Development and Economy Act, collected
13 during the second preceding calendar month for sales within a
14 STAR bond district and deposited into the County and Mass
15 Transit District Fund, less 3% of that amount, which shall be
16 transferred into the Tax Compliance and Administration Fund
17 and shall be used by the Department, subject to appropriation,
18 to cover the costs of the Department in administering the
19 Innovation Development and Economy Act.

20 After the monthly transfer to the STAR Bonds Revenue Fund,
21 on or before the 25th day of each calendar month, the
22 Department shall prepare and certify to the Comptroller the
23 disbursement of stated sums of money to the Regional
24 Transportation Authority and to named counties, the counties
25 to be those entitled to distribution, as hereinabove provided,
26 of taxes or penalties paid to the Department during the second

1 preceding calendar month. The amount to be paid to the
2 Regional Transportation Authority and each county having
3 3,000,000 or fewer inhabitants shall be the amount (not
4 including credit memoranda) collected during the second
5 preceding calendar month by the Department and paid into the
6 County and Mass Transit District Fund, plus an amount the
7 Department determines is necessary to offset any amounts which
8 were erroneously paid to a different taxing body, and not
9 including an amount equal to the amount of refunds made during
10 the second preceding calendar month by the Department, and not
11 including any amount which the Department determines is
12 necessary to offset any amounts which were payable to a
13 different taxing body but were erroneously paid to the
14 Regional Transportation Authority or county, and not including
15 any amounts that are transferred to the STAR Bonds Revenue
16 Fund, less 1.5% of the amount to be paid to the Regional
17 Transportation Authority, which shall be transferred into the
18 Tax Compliance and Administration Fund. The Department, at the
19 time of each monthly disbursement to the Regional
20 Transportation Authority, shall prepare and certify to the
21 State Comptroller the amount to be transferred into the Tax
22 Compliance and Administration Fund under this Section. Within
23 10 days after receipt, by the Comptroller, of the disbursement
24 certification to the Regional Transportation Authority,
25 counties, and the Tax Compliance and Administration Fund
26 provided for in this Section to be given to the Comptroller by

1 the Department, the Comptroller shall cause the orders to be
2 drawn for the respective amounts in accordance with the
3 directions contained in such certification.
4 When certifying the amount of a monthly disbursement to
5 the Regional Transportation Authority or to a county under
6 this Section, the Department shall increase or decrease that
7 amount by an amount necessary to offset any misallocation of
8 previous disbursements. The offset amount shall be the amount
9 erroneously disbursed within the 6 months preceding the time a
10 misallocation is discovered.

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

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

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1 Distributive Fund, as the case may be.
2 (Source: P.A. 102-700, eff. 4-19-22.)

3 (Text of Section after amendment by P.A. 104-457)

4 Sec. 6z-20. County and Mass Transit District Fund. Of the
5 money received from the 6.25% general rate (and, beginning
6 July 1, 2000 and through December 31, 2000, the 1.25% rate on
7 motor fuel and gasohol, and beginning on August 6, 2010
8 through August 15, 2010, and beginning again on August 5, 2022
9 through August 14, 2022, the 1.25% rate on sales tax holiday
10 items) on sales subject to taxation under the Retailers'
11 Occupation Tax Act and Service Occupation Tax Act and paid
12 into the County and Mass Transit District Fund, distribution
13 to the Northern Illinois Transit Authority tax fund, created
14 pursuant to Section 4.03 of the Northern Illinois Transit
15 Authority Act, for deposit therein shall be made based upon
16 the retail sales occurring in a county having more than
17 3,000,000 inhabitants. The remainder shall be distributed to
18 each county having 3,000,000 or fewer inhabitants based upon
19 the retail sales occurring in each such county.

20 For the purpose of determining allocation to the local
21 government unit, a retail sale by a producer of coal or other

22 mineral mined in Illinois is a sale at retail at the place
23 where the coal or other mineral mined in Illinois is extracted
24 from the earth. This paragraph does not apply to coal or other
25 mineral when it is delivered or shipped by the seller to the

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

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

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

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1 the order to be drawn for the amount specified, and to the
2 person named, in such notification from the Department. Such

3 refund shall be paid by the State Treasurer out of the County
4 and Mass Transit District Fund.

5 As soon as possible after the first day of each month,
6 beginning January 1, 2011, upon certification of the
7 Department of Revenue, the Comptroller shall order
8 transferred, and the Treasurer shall transfer, to the STAR
9 Bonds Revenue Fund the local sales tax increment, as defined
10 in the Innovation Development and Economy Act, collected
11 during the second preceding calendar month for sales within a
12 STAR bond district and deposited into the County and Mass
13 Transit District Fund, less 3% of that amount, which shall be
14 transferred into the Tax Compliance and Administration Fund
15 and shall be used by the Department, subject to appropriation,
16 to cover the costs of the Department in administering the
17 Innovation Development and Economy Act.

18 As soon as possible after the first day of each month,
19 beginning July 1, 2026, upon certification of the Department
20 of Revenue, the Comptroller shall order transferred, and the
21 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
22 local sales tax increment, as defined in the Statewide
23 Innovation Development and Economy Act, collected during the
24 second preceding calendar month for sales within a STAR bond
25 district and deposited into the County and Mass Transit
26 District Fund, less 3% of that amount, which shall be

1 transferred into the Tax Compliance and Administration Fund
2 and shall be used by the Department, subject to appropriation,
3 to cover the costs of the Department in administering the
4 Statewide Innovation Development and Economy Act.

5 After the monthly transfers ~~transfer~~ to the STAR Bonds
6 Revenue Fund, on or before the 25th day of each calendar month,
7 the Department shall prepare and certify to the Comptroller
8 the disbursement of stated sums of money to the Northern
9 Illinois Transit Authority and to named counties, the counties
10 to be those entitled to distribution, as hereinabove provided,
11 of taxes or penalties paid to the Department during the second
12 preceding calendar month. The amount to be paid to the
13 Northern Illinois Transit Authority and each county having
14 3,000,000 or fewer inhabitants shall be the amount (not

15 including credit memoranda) collected during the second
16 preceding calendar month by the Department and paid into the
17 County and Mass Transit District Fund, plus an amount the
18 Department determines is necessary to offset any amounts which
19 were erroneously paid to a different taxing body, and not
20 including an amount equal to the amount of refunds made during
21 the second preceding calendar month by the Department, and not
22 including any amount which the Department determines is
23 necessary to offset any amounts which were payable to a
24 different taxing body but were erroneously paid to the
25 Northern Illinois Transit Authority or county, and not
26 including any amounts that are transferred to the STAR Bonds

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1 Revenue Fund, less 1.5% of the amount to be paid to the
2 Northern Illinois Transit Authority, which shall be
3 transferred into the Tax Compliance and Administration Fund.
4 The Department, at the time of each monthly disbursement to
5 the Northern Illinois Transit Authority, shall prepare and
6 certify to the State Comptroller the amount to be transferred
7 into the Tax Compliance and Administration Fund under this
8 Section. Within 10 days after receipt, by the Comptroller, of
9 the disbursement certification to the Northern Illinois
10 Transit Authority, counties, and the Tax Compliance and
11 Administration Fund provided for in this Section to be given
12 to the Comptroller by the Department, the Comptroller shall
13 cause the orders to be drawn for the respective amounts in
14 accordance with the directions contained in such
15 certification.

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

23 The provisions directing the distributions from the
24 special fund in the State treasury provided for in this
25 Section and from the Northern Illinois Transit Authority tax
26 fund created by Section 4.03 of the Northern Illinois Transit

1 Authority Act shall constitute an irrevocable and continuing
2 appropriation of all amounts as provided herein. The State
3 Treasurer and State Comptroller are hereby authorized to make
4 distributions as provided in this Section.

5 In construing any development, redevelopment, annexation,
6 preannexation or other lawful agreement in effect prior to
7 September 1, 1990, which describes or refers to receipts from
8 a county or municipal retailers' occupation tax, use tax or
9 service occupation tax which now cannot be imposed, such
10 description or reference shall be deemed to include the
11 replacement revenue for such abolished taxes, distributed from
12 the County and Mass Transit District Fund or Local Government
13 Distributive Fund, as the case may be.
14 (Source: P.A. 104-457, eff. 6-1-26.)

15 Section 100-15. The Counties Code is amended by changing
16 Sections 5-1006, 5-1006.8, 5-1006.9, and 5-1007 as follows:

17 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

18 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
19 Law. Any county that is a home rule unit may impose a tax upon
20 all persons engaged in the business of selling tangible
21 personal property, other than an item of tangible personal
22 property titled or registered with an agency of this State's
23 government, at retail in the county on the gross receipts from
24 such sales made in the course of their business. If imposed,

1 this tax shall only be imposed in 1/4% increments. On and after
2 September 1, 1991, this additional tax may not be imposed on
3 tangible personal property taxed at the 1% rate under the
4 Retailers' Occupation Tax Act (or at the 0% rate imposed under
5 this amendatory Act of the 102nd General Assembly). Beginning
6 December 1, 2019, this tax is not imposed on sales of aviation

7 fuel unless the tax revenue is expended for airport-related
8 purposes. If the county does not have an airport-related
9 purpose to which it dedicates aviation fuel tax revenue, then
10 aviation fuel is excluded from the tax. The county must comply
11 with the certification requirements for airport-related
12 purposes under Section 2-22 of the Retailers' Occupation Tax
13 Act. For purposes of this Section, "airport-related purposes"
14 has the meaning ascribed in Section 6z-20.2 of the State
15 Finance Act. This exclusion for aviation fuel only applies for
16 so long as the revenue use requirements of 49 U.S.C. 47107(b)
17 and 49 U.S.C. 47133 are binding on the county. The changes made
18 to this Section by this amendatory Act of the 101st General
19 Assembly are a denial and limitation of home rule powers and
20 functions under subsection (g) of Section 6 of Article VII of
21 the Illinois Constitution.

22 If, on January 1, 2025, a unit of local government has in
23 effect a tax under this Section, or if, after January 1, 2025,
24 a unit of local government imposes a tax under this Section,
25 then that tax applies to leases of tangible personal property
26 in effect, entered into, or renewed on or after that date in

1 the same manner as the tax under this Section and in accordance
2 with the changes made by this amendatory Act of the 103rd
3 General Assembly.

4 The tax imposed by a home rule county pursuant to this
5 Section and all civil penalties that may be assessed as an
6 incident thereof shall be collected and enforced by the State
7 Department of Revenue. The certificate of registration that is
8 issued by the Department to a retailer under the Retailers'
9 Occupation Tax Act shall permit the retailer to engage in a
10 business that is taxable under any ordinance or resolution
11 enacted pursuant to this Section without registering
12 separately with the Department under such ordinance or
13 resolution or under this Section. The Department shall have
14 full power to administer and enforce this Section; to collect
15 all taxes and penalties due hereunder; to dispose of taxes and
16 penalties so collected in the manner hereinafter provided; and
17 to determine all rights to credit memoranda arising on account
18 of the erroneous payment of tax or penalty hereunder. In the

19 administration of, and compliance with, this Section, the
20 Department and persons who are subject to this Section shall
21 have the same rights, remedies, privileges, immunities, powers
22 and duties, and be subject to the same conditions,
23 restrictions, limitations, penalties and definitions of terms,
24 and employ the same modes of procedure, as are prescribed in
25 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through
26 2-65 (in respect to all provisions therein other than the

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1 State rate of tax), 3 (except as to the disposition of taxes
2 and penalties collected, and except that the retailer's
3 discount is not allowed for taxes paid on aviation fuel that
4 are subject to the revenue use requirements of 49 U.S.C.
5 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
6 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12
7 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of
8 the Uniform Penalty and Interest Act, as fully as if those
9 provisions were set forth herein.

10 No tax may be imposed by a home rule county pursuant to
11 this Section unless the county also imposes a tax at the same
12 rate pursuant to Section 5-1007.

13 Persons subject to any tax imposed pursuant to the
14 authority granted in this Section may reimburse themselves for
15 their seller's tax liability hereunder by separately stating
16 such tax as an additional charge, which charge may be stated in
17 combination, in a single amount, with State tax which sellers
18 are required to collect under the Use Tax Act, pursuant to such
19 bracket schedules as the Department may prescribe.

20 Whenever the Department determines that a refund should be
21 made under this Section to a claimant instead of issuing a
22 credit memorandum, the Department shall notify the State
23 Comptroller, who shall cause the order to be drawn for the
24 amount specified and to the person named in the notification
25 from the Department. The refund shall be paid by the State
26 Treasurer out of the home rule county retailers' occupation

1 tax fund or the Local Government Aviation Trust Fund, as
2 appropriate.

3 Except as otherwise provided in this paragraph, the
4 Department shall forthwith pay over to the State Treasurer, ex
5 officio, as trustee, all taxes and penalties collected
6 hereunder for deposit into the Home Rule County Retailers'
7 Occupation Tax Fund. Taxes and penalties collected on aviation
8 fuel sold on or after December 1, 2019, shall be immediately
9 paid over by the Department to the State Treasurer, ex
10 officio, as trustee, for deposit into the Local Government
11 Aviation Trust Fund. The Department shall only pay moneys into
12 the Local Government Aviation Trust Fund under this Section
13 for so long as the revenue use requirements of 49 U.S.C.
14 47107(b) and 49 U.S.C. 47133 are binding on the county.

15 As soon as possible after the first day of each month,
16 beginning January 1, 2011, upon certification of the
17 Department of Revenue, the Comptroller shall order
18 transferred, and the Treasurer shall transfer, to the STAR
19 Bonds Revenue Fund the local sales tax increment, as defined
20 in the Innovation Development and Economy Act, collected under
21 this Section during the second preceding calendar month for
22 sales within a STAR bond district.

23 As soon as possible after the first day of each month,
24 beginning July 1, 2026, upon certification of the Department
25 of Revenue, the Comptroller shall order transferred, and the
26 Treasurer shall transfer, to the STAR Bonds Revenue Fund the

1 local sales tax increment, as defined in the Statewide
2 Innovation Development and Economy Act, collected under this
3 Section during the second preceding calendar month for sales
4 within a STAR bond district.

5 After the monthly ~~transfers transfer~~ to the STAR Bonds
6 Revenue Fund, on or before the 25th day of each calendar month,
7 the Department shall prepare and certify to the Comptroller
8 the disbursement of stated sums of money to named counties,
9 the counties to be those from which retailers have paid taxes
10 or penalties hereunder to the Department during the second

11 preceding calendar month. The amount to be paid to each county
12 shall be the amount (not including credit memoranda and not
13 including taxes and penalties collected on aviation fuel sold
14 on or after December 1, 2019) collected hereunder during the
15 second preceding calendar month by the Department plus an
16 amount the Department determines is necessary to offset any
17 amounts that were erroneously paid to a different taxing body,
18 and not including an amount equal to the amount of refunds made
19 during the second preceding calendar month by the Department
20 on behalf of such county, and not including any amount which
21 the Department determines is necessary to offset any amounts
22 which were payable to a different taxing body but were
23 erroneously paid to the county, and not including any amounts
24 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
25 of the remainder, which the Department shall transfer into the
26 Tax Compliance and Administration Fund. The Department, at the

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1 time of each monthly disbursement to the counties, shall
2 prepare and certify to the State Comptroller the amount to be
3 transferred into the Tax Compliance and Administration Fund
4 under this Section. Within 10 days after receipt, by the
5 Comptroller, of the disbursement certification to the counties
6 and the Tax Compliance and Administration Fund provided for in
7 this Section to be given to the Comptroller by the Department,
8 the Comptroller shall cause the orders to be drawn for the
9 respective amounts in accordance with the directions contained
10 in the certification.

11 In addition to the disbursement required by the preceding
12 paragraph, an allocation shall be made in March of each year to
13 each county that received more than \$500,000 in disbursements
14 under the preceding paragraph in the preceding calendar year.
15 The allocation shall be in an amount equal to the average
16 monthly distribution made to each such county under the
17 preceding paragraph during the preceding calendar year
18 (excluding the 2 months of highest receipts). The distribution
19 made in March of each year subsequent to the year in which an
20 allocation was made pursuant to this paragraph and the
21 preceding paragraph shall be reduced by the amount allocated
22 and disbursed under this paragraph in the preceding calendar

23 year. The Department shall prepare and certify to the
24 Comptroller for disbursement the allocations made in
25 accordance with this paragraph.
26 For the purpose of determining the local governmental unit

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1 whose tax is applicable, a retail sale by a producer of coal or
2 other mineral mined in Illinois is a sale at retail at the
3 place where the coal or other mineral mined in Illinois is
4 extracted from the earth. This paragraph does not apply to
5 coal or other mineral when it is delivered or shipped by the
6 seller to the purchaser at a point outside Illinois so that the
7 sale is exempt under the United States Constitution as a sale
8 in interstate or foreign commerce.

9 Nothing in this Section shall be construed to authorize a
10 county to impose a tax upon the privilege of engaging in any
11 business which under the Constitution of the United States may
12 not be made the subject of taxation by this State.

13 An ordinance or resolution imposing or discontinuing a tax
14 hereunder or effecting a change in the rate thereof shall be
15 adopted and a certified copy thereof filed with the Department
16 on or before the first day of June, whereupon the Department
17 shall proceed to administer and enforce this Section as of the
18 first day of September next following such adoption and
19 filing. Beginning January 1, 1992, an ordinance or resolution
20 imposing or discontinuing the tax hereunder or effecting a
21 change in the rate thereof shall be adopted and a certified
22 copy thereof filed with the Department on or before the first
23 day of July, whereupon the Department shall proceed to
24 administer and enforce this Section as of the first day of
25 October next following such adoption and filing. Beginning
26 January 1, 1993, an ordinance or resolution imposing or

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1 discontinuing the tax hereunder or effecting a change in the
2 rate thereof shall be adopted and a certified copy thereof

3 filed with the Department on or before the first day of
4 October, whereupon the Department shall proceed to administer
5 and enforce this Section as of the first day of January next
6 following such adoption and filing. Beginning April 1, 1998,
7 an ordinance or resolution imposing or discontinuing the tax
8 hereunder or effecting a change in the rate thereof shall
9 either (i) be adopted and a certified copy thereof filed with
10 the Department on or before the first day of April, whereupon
11 the Department shall proceed to administer and enforce this
12 Section as of the first day of July next following the adoption
13 and filing; or (ii) be adopted and a certified copy thereof
14 filed with the Department on or before the first day of
15 October, whereupon the Department shall proceed to administer
16 and enforce this Section as of the first day of January next
17 following the adoption and filing.

18 When certifying the amount of a monthly disbursement to a
19 county under this Section, the Department shall increase or
20 decrease such amount by an amount necessary to offset any
21 misallocation of previous disbursements. The offset amount
22 shall be the amount erroneously disbursed within the previous
23 6 months from the time a misallocation is discovered.

24 This Section shall be known and may be cited as the Home
25 Rule County Retailers' Occupation Tax Law.

26 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

1 (55 ILCS 5/5-1006.8)

2 Sec. 5-1006.8. County Cannabis Retailers' Occupation Tax
3 Law.

4 (a) This Section may be referred to as the County Cannabis
5 Retailers' Occupation Tax Law. The corporate authorities of
6 any county may, by ordinance, impose a tax upon all persons
7 engaged in the business of selling cannabis, other than
8 cannabis purchased under the Compassionate Use of Medical
9 Cannabis Program Act, at retail in the county on the gross
10 receipts from these sales made in the course of that business.
11 If imposed, the tax shall be imposed only in 0.25% increments.
12 The tax rate may not exceed: (i) 3.75% of the gross receipts of
13 sales made in unincorporated areas of the county; and (ii) 3%

14 of the gross receipts of sales made in a municipality located
15 in the county. The tax imposed under this Section and all civil
16 penalties that may be assessed as an incident of the tax shall
17 be collected and enforced by the Department of Revenue. The
18 Department of Revenue shall have full power to administer and
19 enforce this Section; to collect all taxes and penalties due
20 hereunder; to dispose of taxes and penalties so collected in
21 the manner hereinafter provided; and to determine all rights
22 to credit memoranda arising on account of the erroneous
23 payment of tax or penalty under this Section. In the
24 administration of and compliance with this Section, the
25 Department of Revenue and persons who are subject to this

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1 Section shall have the same rights, remedies, privileges,
2 immunities, powers and duties, and be subject to the same
3 conditions, restrictions, limitations, penalties, and
4 definitions of terms, and employ the same modes of procedure,
5 as are described in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
6 1n, 2 through 2-65 (in respect to all provisions therein other
7 than the State rate of tax), 2a, 2b, 2c, 2i, 3 (except as to
8 the disposition of taxes and penalties collected), 4, 5, 5a,
9 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6bb, 6c, 6d,
10 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation
11 Tax Act and Section 3-7 of the Uniform Penalty and Interest Act
12 as fully as if those provisions were set forth in this Section.

13 (b) Persons subject to any tax imposed under the authority
14 granted in this Section may reimburse themselves for their
15 seller's tax liability hereunder by separately stating that
16 tax as an additional charge, which charge may be stated in
17 combination, in a single amount, with any State tax that
18 sellers are required to collect.

19 (c) Whenever the Department of Revenue determines that a
20 refund should be made under this Section to a claimant instead
21 of issuing a credit memorandum, the Department of Revenue
22 shall notify the State Comptroller, who shall cause the order
23 to be drawn for the amount specified and to the person named in
24 the notification from the Department of Revenue.

25 (d) Except as otherwise provided in this Section, the ~~The~~
26 Department of Revenue shall immediately pay over to the State

1 Treasurer, ex officio, as trustee, all taxes and penalties
2 collected hereunder for deposit into the Local Cannabis
3 Retailers' Occupation Tax Trust Fund.

4 As soon as possible after the first day of each month,
5 beginning July 1, 2026, upon certification of the Department
6 of Revenue, the Comptroller shall order transferred, and the
7 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
8 local sales tax increment, as defined in the Statewide
9 Innovation Development and Economy Act, collected under this
10 Section during the second preceding calendar month for sales
11 within a STAR bond district.

12 (e) After the monthly transfer to the STAR Bonds Revenue
13 Fund, on or before the 25th day of each calendar month, the
14 Department of Revenue shall prepare and certify to the
15 Comptroller the amount of money to be disbursed from the Local
16 Cannabis Retailers' Occupation Tax Trust Fund to counties from
17 which retailers have paid taxes or penalties under this
18 Section during the second preceding calendar month. The amount
19 to be paid to each county shall be the amount (not including
20 credit memoranda) collected under this Section from sales made
21 in the county during the second preceding calendar month, plus
22 an amount the Department of Revenue determines is necessary to
23 offset any amounts that were erroneously paid to a different
24 taxing body, and not including an amount equal to the amount of
25 refunds made during the second preceding calendar month by the
26 Department on behalf of such county, and not including any

1 amount that the Department determines is necessary to offset
2 any amounts that were payable to a different taxing body but
3 were erroneously paid to the county, and not including any
4 amounts that are transferred to the STAR Bonds Revenue Fund,
5 less 1.5% of the remainder, which the Department shall
6 transfer into the Tax Compliance and Administration Fund. The

7 Department, at the time of each monthly disbursement to the
8 counties, shall prepare and certify the State Comptroller the
9 amount to be transferred into the Tax Compliance and
10 Administration Fund under this Section. Within 10 days after
11 receipt by the Comptroller of the disbursement certification
12 to the counties and the Tax Compliance and Administration Fund
13 provided for in this Section to be given to the Comptroller by
14 the Department, the Comptroller shall cause the orders to be
15 drawn for the respective amounts in accordance with the
16 directions contained in the certification.

17 (f) An ordinance or resolution imposing or discontinuing a
18 tax under this Section or effecting a change in the rate
19 thereof that is adopted on or after June 25, 2019 (the
20 effective date of Public Act 101-27) and for which a certified
21 copy is filed with the Department on or before April 1, 2020
22 shall be administered and enforced by the Department beginning
23 on July 1, 2020. For ordinances filed with the Department
24 after April 1, 2020, an ordinance or resolution imposing or
25 discontinuing a tax under this Section or effecting a change
26 in the rate thereof shall either (i) be adopted and a certified

1 copy thereof filed with the Department on or before the first
2 day of April, whereupon the Department shall proceed to
3 administer and enforce this Section as of the first day of July
4 next following the adoption and filing; or (ii) be adopted and
5 a certified copy thereof filed with the Department on or
6 before the first day of October, whereupon the Department
7 shall proceed to administer and enforce this Section as of the
8 first day of January next following the adoption and filing.

9 (g) Notwithstanding any provision in this Section to the
10 contrary, if an ordinance or resolution imposing a tax under
11 this Section was adopted on or before October 1, 2020 and a
12 certified copy thereof was filed with the Department of
13 Revenue on or before November 1, 2020, then the Department
14 shall proceed to administer and enforce this Section as of May
15 1, 2021 for such ordinances or resolutions.

16 (Source: P.A. 101-27, eff. 6-25-19; 101-363, eff. 8-9-19;
17 101-593, eff. 12-4-19; 102-2, eff. 4-2-21.)

18 (55 ILCS 5/5-1006.9)

19 Sec. 5-1006.9. County Grocery Occupation Tax Law.

20 (a) The corporate authorities of any county may, by
21 ordinance or resolution that takes effect on or after January
22 1, 2026, impose a tax upon all persons engaged in the business
23 of selling groceries at retail in the county, but outside of
24 any municipality, on the gross receipts from those sales made
25 in the course of that business. If imposed, the tax shall be at

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1 the rate of 1% of the gross receipts from these sales.

2 The tax imposed by a county under this subsection and all
3 civil penalties that may be assessed as an incident of the tax
4 shall be collected and enforced by the Department. The
5 certificate of registration that is issued by the Department
6 to a retailer under the Retailers' Occupation Tax Act shall
7 permit the retailer to engage in a business that is taxable
8 under any ordinance or resolution enacted under this
9 subsection without registering separately with the Department
10 under that ordinance or resolution or under this subsection.

11 The Department shall have full power to administer and
12 enforce this subsection; to collect all taxes and penalties
13 due under this subsection; to dispose of taxes and penalties
14 so collected in the manner provided in this Section and under
15 rules adopted by the Department; and to determine all rights
16 to credit memoranda arising on account of the erroneous
17 payment of tax or penalty under this subsection.

18 In the administration of, and compliance with, this
19 subsection, the Department and persons who are subject to this
20 subsection shall have the same rights, remedies, privileges,
21 immunities, powers, and duties, and be subject to the same
22 conditions, restrictions, limitations, penalties and
23 definitions of terms, and employ the same modes of procedure,
24 as are prescribed in Sections 1, 2 through 2-65 (in respect to
25 all provisions therein other than the State rate of tax and
26 other than the exemption for food for human consumption that

1 is to be consumed off the premises where it is sold (other than
2 alcoholic beverages, food consisting of or infused with adult
3 use cannabis, soft drinks, candy, and food that has been
4 prepared for immediate consumption), which is authorized to be
5 taxed as provided in this subsection), 2c, 3 (except as to the
6 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
7 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11,
8 11a, 12 and 13 of the Retailers' Occupation Tax Act and all of
9 the Uniform Penalty and Interest Act, as fully as if those
10 provisions were set forth in this Section.

11 Persons subject to any tax imposed under the authority
12 granted in this subsection may reimburse themselves for their
13 seller's tax liability hereunder by separately stating that
14 tax as an additional charge, which charge may be stated in
15 combination, in a single amount, with State tax that sellers
16 are required to collect under the Use Tax Act, pursuant to such
17 bracket schedules as the Department may prescribe.

18 (b) If a tax has been imposed under subsection (a), then a
19 service occupation tax must also be imposed at the same rate
20 upon all persons engaged, in the county but outside of a
21 municipality, in the business of making sales of service, who,
22 as an incident to making those sales of service, transfer
23 groceries, as defined in this Section, as an incident to a sale
24 of service.

25 The tax imposed under this subsection and all civil
26 penalties that may be assessed as an incident thereof shall be

1 collected and enforced by the Department. The certificate of
2 registration that is issued by the Department to a retailer
3 under the Retailers' Occupation Tax Act or the Service
4 Occupation Tax Act shall permit the registrant to engage in a
5 business that is taxable under any ordinance or resolution
6 enacted pursuant to this subsection without registering
7 separately with the Department under the ordinance or
8 resolution or under this subsection.

9 The Department shall have full power to administer and
10 enforce this subsection, to collect all taxes and penalties

11 due under this subsection, to dispose of taxes and penalties
12 so collected in the manner provided in this Section and under
13 rules adopted by the Department, and to determine all rights
14 to credit memoranda arising on account of the erroneous
15 payment of a tax or penalty under this subsection.

16 In the administration of and compliance with this
17 subsection, the Department and persons who are subject to this
18 subsection shall have the same rights, remedies, privileges,
19 immunities, powers and duties, and be subject to the same
20 conditions, restrictions, limitations, penalties and
21 definitions of terms, and employ the same modes of procedure
22 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
23 to all provisions contained in those Sections other than: (i)
24 the State rate of tax; (ii) the exemption for food for human
25 consumption that is to be consumed off the premises where it is
26 sold (other than alcoholic beverages, food consisting of or

1 infused with adult use cannabis, soft drinks, candy, and food
2 that has been prepared for immediate consumption), which is
3 authorized to be taxed as provided in this subsection; and
4 (iii) the exemption for food prepared for immediate
5 consumption and transferred incident to a sale of service
6 subject to the Service Occupation Tax Act or the Service Use
7 Tax Act by an entity licensed under the Hospital Licensing
8 Act, the Nursing Home Care Act, the Assisted Living and Shared
9 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
10 Specialized Mental Health Rehabilitation Act of 2013, or the
11 Child Care Act of 1969, or an entity that holds a permit issued
12 pursuant to the Life Care Facilities Act, which is authorized
13 to be taxed as provided in this subsection), 4, 5, 7, 8, 9
14 (except as to the disposition of taxes and penalties
15 collected), 10, 11, 12, 13, 15, 16, 17, 18, 19, and 20 of the
16 Service Occupation Tax Act and all provisions of the Uniform
17 Penalty and Interest Act, as fully as if those provisions were
18 set forth in this Section.

19 Persons subject to any tax imposed under the authority
20 granted in this subsection may reimburse themselves for their
21 serviceman's tax liability by separately stating the tax as an
22 additional charge, which may be stated in combination, in a

23 single amount, with State tax that servicemen are authorized
24 to collect under the Service Use Tax Act, pursuant to any
25 bracketed schedules set forth by the Department.
26 (c) The Department shall immediately pay over to the State

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1 Treasurer, ex officio, as trustee, all taxes and penalties
2 collected under this Section. Those taxes and penalties shall
3 be deposited into the County Grocery Tax Trust Fund, a trust
4 fund created in the State treasury. Except as otherwise
5 provided in this Section, moneys in the County Grocery Tax
6 Trust Fund shall be used to make payments to counties and for
7 the payment of refunds under this Section.

8 Moneys deposited into the County Grocery Tax Trust Fund
9 under this Section are not subject to appropriation and shall
10 be used as provided in this Section. All deposits into the
11 County Grocery Tax Trust Fund shall be held in the County
12 Grocery Tax Trust Fund by the State Treasurer, ex officio, as
13 trustee separate and apart from all public moneys or funds of
14 this State.

15 Whenever the Department determines that a refund should be
16 made under this Section to a claimant instead of issuing a
17 credit memorandum, the Department shall notify the State
18 Comptroller, who shall cause the order to be drawn for the
19 amount specified and to the person named in the notification
20 from the Department. The refund shall be paid by the State
21 Treasurer out of the County Grocery Tax Trust Fund.

22 (d) As soon as possible after the first day of each month,
23 upon certification of the Department, the Comptroller shall
24 order transferred, and the Treasurer shall transfer, to the
25 STAR Bonds Revenue Fund the local sales tax increment, if any,
26 as defined in the Innovation Development and Economy Act,

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1 collected under this Section.

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

3 certification of the Department of Revenue, the Comptroller
4 shall order transferred, and the Treasurer shall transfer, to
5 the STAR Bonds Revenue Fund the local sales tax increment, as
6 defined in the Statewide Innovation Development and Economy
7 Act, collected under this Section during the second preceding
8 calendar month for sales within a STAR bond district.

9 After the monthly transfers ~~transfer~~ to the STAR Bonds
10 Revenue Fund, if any, on or before the 25th day of each
11 calendar month, the Department shall prepare and certify to
12 the Comptroller the disbursement of stated sums of money to
13 named counties, the counties to be those from which retailers
14 have paid taxes or penalties under this Section to the
15 Department during the second preceding calendar month. The
16 amount to be paid to each county shall be the amount (not
17 including credit memoranda) collected under this Section
18 during the second preceding calendar month by the Department
19 plus an amount the Department determines is necessary to
20 offset any amounts that were erroneously paid to a different
21 taxing body, and not including an amount equal to the amount of
22 refunds made during the second preceding calendar month by the
23 Department on behalf of such county, and not including any
24 amount that the Department determines is necessary to offset
25 any amounts that were payable to a different taxing body but
26 were erroneously paid to the county, and not including any

1 amounts that are transferred to the STAR Bonds Revenue Fund.
2 Within 10 days after receipt by the Comptroller of the
3 disbursement certification to the counties provided for in
4 this Section to be given to the Comptroller by the Department,
5 the Comptroller shall cause the orders to be drawn for the
6 amounts in accordance with the directions contained in the
7 certification.

8 (e) Nothing in this Section shall be construed to
9 authorize a county to impose a tax upon the privilege of
10 engaging in any business which under the Constitution of the
11 United States may not be made the subject of taxation by this
12 State.

13 (f) Except as otherwise provided in this subsection, an
14 ordinance or resolution imposing or discontinuing the tax

15 hereunder or effecting a change in the rate thereof shall
16 either (i) be adopted and a certified copy thereof filed with
17 the Department on or before the first day of April, whereupon
18 the Department shall proceed to administer and enforce this
19 Section as of the first day of July next following the adoption
20 and filing, or (ii) be adopted and a certified copy thereof
21 filed with the Department on or before the first day of
22 October, whereupon the Department shall proceed to administer
23 and enforce this Section as of the first day of January next
24 following the adoption and filing.

25 (g) When certifying the amount of a monthly disbursement
26 to a county under this Section, the Department shall increase

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1 or decrease the amount by an amount necessary to offset any
2 misallocation of previous disbursements. The offset amount
3 shall be the amount erroneously disbursed within the previous
4 6 months from the time a misallocation is discovered.

5 (h) As used in this Section, "Department" means the
6 Department of Revenue.

7 For purposes of the tax authorized to be imposed under
8 subsection (a), "groceries" has the same meaning as "food for
9 human consumption that is to be consumed off the premises
10 where it is sold (other than alcoholic beverages, food
11 consisting of or infused with adult use cannabis, soft drinks,
12 candy, and food that has been prepared for immediate
13 consumption)", as further defined in Section 2-10 of the
14 Retailers' Occupation Tax Act.

15 For purposes of the tax authorized to be imposed under
16 subsection (b), "groceries" has the same meaning as "food for
17 human consumption that is to be consumed off the premises
18 where it is sold (other than alcoholic beverages, food
19 consisting of or infused with adult use cannabis, soft drinks,
20 candy, and food that has been prepared for immediate
21 consumption)", as further defined in Section 3-10 of the
22 Service Occupation Tax Act.

23 For purposes of the tax authorized to be imposed under
24 subsection (b), "groceries" also means food prepared for
25 immediate consumption and transferred incident to a sale of
26 service subject to the Service Occupation Tax Act or the

1 Service Use Tax Act by an entity licensed under the Hospital
2 Licensing Act, the Nursing Home Care Act, the Assisted Living
3 and Shared Housing Act, the ID/DD Community Care Act, the
4 MC/DD Act, the Specialized Mental Health Rehabilitation Act of
5 2013, or the Child Care Act of 1969, or an entity that holds a
6 permit issued pursuant to the Life Care Facilities Act.

7 (i) This Section may be referred to as the County Grocery
8 Occupation Tax Law.

9 (Source: P.A. 103-781, eff. 8-5-24; 104-6, eff. 1-1-26.)

10 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

11 Sec. 5-1007. Home Rule County Service Occupation Tax Law.

12 The corporate authorities of a home rule county may impose a
13 tax upon all persons engaged, in such county, in the business
14 of making sales of service at the same rate of tax imposed
15 pursuant to Section 5-1006 of the selling price of all
16 tangible personal property transferred by such servicemen
17 either in the form of tangible personal property or in the form
18 of real estate as an incident to a sale of service. If imposed,
19 such tax shall only be imposed in 1/4% increments. On and after
20 September 1, 1991, this additional tax may not be imposed on
21 tangible personal property taxed at the 1% rate under the
22 Service Occupation Tax Act (or at the 0% rate imposed under
23 this amendatory Act of the 102nd General Assembly). Beginning
24 December 1, 2019, this tax is not imposed on sales of aviation
25 fuel unless the tax revenue is expended for airport-related

1 purposes. If the county does not have an airport-related
2 purpose to which it dedicates aviation fuel tax revenue, then
3 aviation fuel is excluded from the tax. The county must comply
4 with the certification requirements for airport-related
5 purposes under Section 2-22 of the Retailers' Occupation Tax
6 Act. For purposes of this Section, "airport-related purposes"

7 has the meaning ascribed in Section 6z-20.2 of the State
8 Finance Act. This exclusion for aviation fuel only applies for
9 so long as the revenue use requirements of 49 U.S.C. 47107(b)
10 and 49 U.S.C. 47133 are binding on the county. The changes made
11 to this Section by this amendatory Act of the 101st General
12 Assembly are a denial and limitation of home rule powers and
13 functions under subsection (g) of Section 6 of Article VII of
14 the Illinois Constitution. The tax imposed by a home rule
15 county pursuant to this Section and all civil penalties that
16 may be assessed as an incident thereof shall be collected and
17 enforced by the State Department of Revenue. The certificate
18 of registration which is issued by the Department to a
19 retailer under the Retailers' Occupation Tax Act or under the
20 Service Occupation Tax Act shall permit such registrant to
21 engage in a business which is taxable under any ordinance or
22 resolution enacted pursuant to this Section without
23 registering separately with the Department under such
24 ordinance or resolution or under this Section. The Department
25 shall have full power to administer and enforce this Section;
26 to collect all taxes and penalties due hereunder; to dispose

1 of taxes and penalties so collected in the manner hereinafter
2 provided; and to determine all rights to credit memoranda
3 arising on account of the erroneous payment of tax or penalty
4 hereunder. In the administration of, and compliance with, this
5 Section the Department and persons who are subject to this
6 Section shall have the same rights, remedies, privileges,
7 immunities, powers and duties, and be subject to the same
8 conditions, restrictions, limitations, penalties and
9 definitions of terms, and employ the same modes of procedure,
10 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
11 respect to all provisions therein other than the State rate of
12 tax), 4 (except that the reference to the State shall be to the
13 taxing county), 5, 7, 8 (except that the jurisdiction to which
14 the tax shall be a debt to the extent indicated in that Section
15 8 shall be the taxing county), 9 (except as to the disposition
16 of taxes and penalties collected, and except that the returned
17 merchandise credit for this county tax may not be taken
18 against any State tax, and except that the retailer's discount

19 is not allowed for taxes paid on aviation fuel that are subject
20 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
21 U.S.C. 47133), 10, 11, 12 (except the reference therein to
22 Section 2b of the Retailers' Occupation Tax Act), 13 (except
23 that any reference to the State shall mean the taxing county),
24 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
25 Service Occupation Tax Act and Section 3-7 of the Uniform
26 Penalty and Interest Act, as fully as if those provisions were

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1 set forth herein.

2 No tax may be imposed by a home rule county pursuant to
3 this Section unless such county also imposes a tax at the same
4 rate pursuant to Section 5-1006.

5 If, on January 1, 2025, a unit of local government has in
6 effect a tax under this Section, or if, after January 1, 2025,
7 a unit of local government imposes a tax under this Section,
8 then that tax applies to leases of tangible personal property
9 in effect, entered into, or renewed on or after that date in
10 the same manner as the tax under this Section and in accordance
11 with the changes made by this amendatory Act of the 103rd
12 General Assembly.

13 Persons subject to any tax imposed pursuant to the
14 authority granted in this Section may reimburse themselves for
15 their serviceman's tax liability hereunder by separately
16 stating such tax as an additional charge, which charge may be
17 stated in combination, in a single amount, with State tax
18 which servicemen are authorized to collect under the Service
19 Use Tax Act, pursuant to such bracket schedules as the
20 Department may prescribe.

21 Whenever the Department determines that a refund should be
22 made under this Section to a claimant instead of issuing
23 credit memorandum, the Department shall notify the State
24 Comptroller, who shall cause the order to be drawn for the
25 amount specified, and to the person named, in such
26 notification from the Department. Such refund shall be paid by

1 the State Treasurer out of the home rule county retailers'
2 occupation tax fund or the Local Government Aviation Trust
3 Fund, as appropriate.

4 Except as otherwise provided in this paragraph, the
5 Department shall forthwith pay over to the State Treasurer, ex
6 officio, as trustee, all taxes and penalties collected
7 hereunder for deposit into the Home Rule County Retailers'
8 Occupation Tax Fund. Taxes and penalties collected on aviation
9 fuel sold on or after December 1, 2019, shall be immediately
10 paid over by the Department to the State Treasurer, ex
11 officio, as trustee, for deposit into the Local Government
12 Aviation Trust Fund. The Department shall only pay moneys into
13 the Local Government Aviation Trust Fund under this Section
14 for so long as the revenue use requirements of 49 U.S.C.
15 47107(b) and 49 U.S.C. 47133 are binding on the county.

16 As soon as possible after the first day of each month,
17 beginning January 1, 2011, upon certification of the
18 Department of Revenue, the Comptroller shall order
19 transferred, and the Treasurer shall transfer, to the STAR
20 Bonds Revenue Fund the local sales tax increment, as defined
21 in the Innovation Development and Economy Act, collected under
22 this Section during the second preceding calendar month for
23 sales within a STAR bond district.

24 As soon as possible after the first day of each month,
25 beginning July 1, 2026, upon certification of the Department
26 of Revenue, the Comptroller shall order transferred, and the

1 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
2 local sales tax increment, as defined in the Statewide
3 Innovation Development and Economy Act, collected under this
4 Section during the second preceding calendar month for sales
5 within a STAR bond district.

6 After the monthly ~~transfers transfer~~ to the STAR Bonds
7 Revenue Fund, on or before the 25th day of each calendar month,
8 the Department shall prepare and certify to the Comptroller
9 the disbursement of stated sums of money to named counties,
10 the counties to be those from which suppliers and servicemen

11 have paid taxes or penalties hereunder to the Department
12 during the second preceding calendar month. The amount to be
13 paid to each county shall be the amount (not including credit
14 memoranda and not including taxes and penalties collected on
15 aviation fuel sold on or after December 1, 2019) collected
16 hereunder during the second preceding calendar month by the
17 Department, and not including an amount equal to the amount of
18 refunds made during the second preceding calendar month by the
19 Department on behalf of such county, and not including any
20 amounts that are transferred to the STAR Bonds Revenue Fund,
21 less 1.5% of the remainder, which the Department shall
22 transfer into the Tax Compliance and Administration Fund. The
23 Department, at the time of each monthly disbursement to the
24 counties, shall prepare and certify to the State Comptroller
25 the amount to be transferred into the Tax Compliance and
26 Administration Fund under this Section. Within 10 days after

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1 receipt, by the Comptroller, of the disbursement certification
2 to the counties and the Tax Compliance and Administration Fund
3 provided for in this Section to be given to the Comptroller by
4 the Department, the Comptroller shall cause the orders to be
5 drawn for the respective amounts in accordance with the
6 directions contained in such certification.

7 In addition to the disbursement required by the preceding
8 paragraph, an allocation shall be made in each year to each
9 county which received more than \$500,000 in disbursements
10 under the preceding paragraph in the preceding calendar year.
11 The allocation shall be in an amount equal to the average
12 monthly distribution made to each such county under the
13 preceding paragraph during the preceding calendar year
14 (excluding the 2 months of highest receipts). The distribution
15 made in March of each year subsequent to the year in which an
16 allocation was made pursuant to this paragraph and the
17 preceding paragraph shall be reduced by the amount allocated
18 and disbursed under this paragraph in the preceding calendar
19 year. The Department shall prepare and certify to the
20 Comptroller for disbursement the allocations made in
21 accordance with this paragraph.

22 Nothing in this Section shall be construed to authorize a

23 county to impose a tax upon the privilege of engaging in any
24 business which under the Constitution of the United States may
25 not be made the subject of taxation by this State.

26 An ordinance or resolution imposing or discontinuing a tax

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1 hereunder or effecting a change in the rate thereof shall be
2 adopted and a certified copy thereof filed with the Department
3 on or before the first day of June, whereupon the Department
4 shall proceed to administer and enforce this Section as of the
5 first day of September next following such adoption and
6 filing. Beginning January 1, 1992, an ordinance or resolution
7 imposing or discontinuing the tax hereunder or effecting a
8 change in the rate thereof shall be adopted and a certified
9 copy thereof filed with the Department on or before the first
10 day of July, whereupon the Department shall proceed to
11 administer and enforce this Section as of the first day of
12 October next following such adoption and filing. Beginning
13 January 1, 1993, an ordinance or resolution imposing or
14 discontinuing the tax hereunder or effecting a change in the
15 rate thereof shall be adopted and a certified copy thereof
16 filed with the Department on or before the first day of
17 October, whereupon the Department shall proceed to administer
18 and enforce this Section as of the first day of January next
19 following such adoption and filing. Beginning April 1, 1998,
20 an ordinance or resolution imposing or discontinuing the tax
21 hereunder or effecting a change in the rate thereof shall
22 either (i) be adopted and a certified copy thereof filed with
23 the Department on or before the first day of April, whereupon
24 the Department shall proceed to administer and enforce this
25 Section as of the first day of July next following the adoption
26 and filing; or (ii) be adopted and a certified copy thereof

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1 filed with the Department on or before the first day of
2 October, whereupon the Department shall proceed to administer

3 and enforce this Section as of the first day of January next
4 following the adoption and filing.

5 This Section shall be known and may be cited as the Home
6 Rule County Service Occupation Tax Law.

7 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

8 Section 100-20. The Illinois Municipal Code is amended by
9 changing Sections 8-4-1, 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,
10 8-11-1.7, 8-11-5, 8-11-23, 8-11-24, and 11-74.3-6 as follows:

11 (65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

12 Sec. 8-4-1. No bonds shall be issued by the corporate
13 authorities of any municipality until the question of
14 authorizing such bonds has been submitted to the electors of
15 that municipality provided that notice of the bond referendum,
16 if held before July 1, 1999, has been given in accordance with
17 the provisions of Section 12-5 of the Election Code in effect
18 at the time of the bond referendum, at least 10 and not more
19 than 45 days before the date of the election, notwithstanding
20 the time for publication otherwise imposed by Section 12-5,
21 and approved by a majority of the electors voting upon that
22 question. Notices required in connection with the submission
23 of public questions on or after July 1, 1999 shall be as set
24 forth in Section 12-5 of the Election Code. The clerk shall

1 certify the proposition of the corporate authorities to the
2 proper election authority who shall submit the question at an
3 election in accordance with the general election law, subject
4 to the notice provisions set forth in this Section.

5 Notice of any such election shall contain the amount of
6 the bond issue, purpose for which issued, and maximum rate of
7 interest.

8 In addition to all other authority to issue bonds, the
9 Village of Indian Head Park is authorized to issue bonds for
10 the purpose of paying the costs of making roadway improvements
11 in an amount not to exceed the aggregate principal amount of
12 \$2,500,000, provided that 60% of the votes cast at the general
13 primary election held on March 18, 2014 are cast in favor of
14 the issuance of the bonds, and the bonds are issued by December

15 31, 2014.

16 However, without the submission of the question of issuing
17 bonds to the electors, the corporate authorities of any
18 municipality may authorize the issuance of any of the
19 following bonds:

20 (1) Bonds to refund any existing bonded indebtedness;

21 (2) Bonds to fund or refund any existing judgment
22 indebtedness;

23 (3) In any municipality of less than 500,000
24 population, bonds to anticipate the collection of
25 installments of special assessments and special taxes
26 against property owned by the municipality and to

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1 anticipate the collection of the amount apportioned to the
2 municipality as public benefits under Article 9;

3 (4) Bonds issued by any municipality under Sections
4 8-4-15 through 8-4-23, 11-23-1 through 11-23-12, 11-26-1
5 through 11-26-6, 11-71-1 through 11-71-10, 11-74.3-1
6 through 11-74.3-7, 11-74.4-1 through 11-74.4-11, 11-74.5-1
7 through 11-74.5-15, 11-94-1 through 11-94-7, 11-102-1
8 through 11-102-10, 11-103-11 through 11-103-15, 11-118-1
9 through 11-118-6, 11-119-1 through 11-119-5, 11-129-1
10 through 11-129-7, 11-133-1 through 11-133-4, 11-139-1
11 through 11-139-12, 11-141-1 through 11-141-18 of this
12 Code, or 10-801 through 10-808 of the Illinois Highway
13 Code;

14 (5) Bonds issued by the board of education of any
15 school district under the provisions of Sections 34-30
16 through 34-36 of the School Code;

17 (6) Bonds issued by any municipality under the
18 provisions of Division 6 of this Article 8; and by any
19 municipality under the provisions of Division 7 of this
20 Article 8; or under the provisions of Sections 11-121-4
21 and 11-121-5;

22 (7) Bonds to pay for the purchase of voting machines
23 by any municipality that has adopted Article 24 of the
24 Election Code;

25 (8) Bonds issued by any municipality under Sections 15
26 and 46 of the Environmental Protection Act;

1 (9) Bonds issued by the corporate authorities of any
2 municipality under the provisions of Section 8-4-25 of
3 this Article 8;

4 (10) Bonds issued under Section 8-4-26 of this Article
5 8 by any municipality having a board of election
6 commissioners;

7 (11) Bonds issued under the provisions of the Special
8 Service Area Tax Act (repealed);

9 (12) Bonds issued under Section 8-5-16 of this Code;

10 (13) Bonds to finance the cost of the acquisition,
11 construction, or improvement of water or wastewater
12 treatment facilities mandated by an enforceable compliance
13 schedule developed in connection with the federal Clean
14 Water Act or a compliance order issued by the United
15 States Environmental Protection Agency or the Illinois
16 Pollution Control Board; provided that such bonds are
17 authorized by an ordinance adopted by a three-fifths
18 majority of the corporate authorities of the municipality
19 issuing the bonds which ordinance shall specify that the
20 construction or improvement of such facilities is
21 necessary to alleviate an emergency condition in such
22 municipality;

23 (14) Bonds issued by any municipality pursuant to
24 Section 11-113.1-1;

25 (15) Bonds issued under Sections 11-74.6-1 through
26 11-74.6-45, the Industrial Jobs Recovery Law of this Code;

1 (16) Bonds issued under the Innovation Development and
2 Economy Act, except as may be required by Section 35 of
3 that Act.

4 (17) Bonds issued under the Statewide Innovation
5 Development and Economy Act, except as may be required by
6 Section 5-60 of that Act.

7 (Source: P.A. 102-587, eff. 1-1-22; 103-605, eff. 7-1-24.)

8 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

9 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax
10 Act. The corporate authorities of a home rule municipality may
11 impose a tax upon all persons engaged in the business of
12 selling tangible personal property, other than an item of
13 tangible personal property titled or registered with an agency
14 of this State's government, at retail in the municipality on
15 the gross receipts from these sales made in the course of such
16 business. If imposed, the tax shall only be imposed in 1/4%
17 increments. On and after September 1, 1991, this additional
18 tax may not be imposed on tangible personal property taxed at
19 the 1% rate under the Retailers' Occupation Tax Act (or at the
20 0% rate imposed under this amendatory Act of the 102nd General
21 Assembly). Beginning December 1, 2019, this tax is not imposed
22 on sales of aviation fuel unless the tax revenue is expended
23 for airport-related purposes. If a municipality does not have
24 an airport-related purpose to which it dedicates aviation fuel
25 tax revenue, then aviation fuel is excluded from the tax. Each

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1 municipality must comply with the certification requirements
2 for airport-related purposes under Section 2-22 of the
3 Retailers' Occupation Tax Act. For purposes of this Section,
4 "airport-related purposes" has the meaning ascribed in Section
5 6z-20.2 of the State Finance Act. This exclusion for aviation
6 fuel only applies for so long as the revenue use requirements
7 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
8 municipality. The changes made to this Section by this
9 amendatory Act of the 101st General Assembly are a denial and
10 limitation of home rule powers and functions under subsection
11 (g) of Section 6 of Article VII of the Illinois Constitution.
12 The tax imposed by a home rule municipality under this Section
13 and all civil penalties that may be assessed as an incident of
14 the tax shall be collected and enforced by the State
15 Department of Revenue. The certificate of registration that is
16 issued by the Department to a retailer under the Retailers'
17 Occupation Tax Act shall permit the retailer to engage in a
18 business that is taxable under any ordinance or resolution

19 enacted pursuant to this Section without registering
20 separately with the Department under such ordinance or
21 resolution or under this Section. The Department shall have
22 full power to administer and enforce this Section; to collect
23 all taxes and penalties due hereunder; to dispose of taxes and
24 penalties so collected in the manner hereinafter provided; and
25 to determine all rights to credit memoranda arising on account
26 of the erroneous payment of tax or penalty hereunder. In the

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1 administration of, and compliance with, this Section the
2 Department and persons who are subject to this Section shall
3 have the same rights, remedies, privileges, immunities, powers
4 and duties, and be subject to the same conditions,
5 restrictions, limitations, penalties and definitions of terms,
6 and employ the same modes of procedure, as are prescribed in
7 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
8 (in respect to all provisions therein other than the State
9 rate of tax), 2c, 3 (except as to the disposition of taxes and
10 penalties collected, and except that the retailer's discount
11 is not allowed for taxes paid on aviation fuel that are subject
12 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
13 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
14 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
15 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
16 Penalty and Interest Act, as fully as if those provisions were
17 set forth herein.

18 No tax may be imposed by a home rule municipality under
19 this Section unless the municipality also imposes a tax at the
20 same rate under Section 8-11-5 of this Act.

21 If, on January 1, 2025, a unit of local government has in
22 effect a tax under this Section, or if, after January 1, 2025,
23 a unit of local government imposes a tax under this Section,
24 then that tax applies to leases of tangible personal property
25 in effect, entered into, or renewed on or after that date in
26 the same manner as the tax under this Section and in accordance

1 with the changes made by this amendatory Act of the 103rd
2 General Assembly.

3 Persons subject to any tax imposed under the authority
4 granted in this Section may reimburse themselves for their
5 seller's tax liability hereunder by separately stating that
6 tax as an additional charge, which charge may be stated in
7 combination, in a single amount, with State tax which sellers
8 are required to collect under the Use Tax Act, pursuant to such
9 bracket schedules as the Department may prescribe.

10 Whenever the Department determines that a refund should be
11 made under this Section to a claimant instead of issuing a
12 credit memorandum, the Department shall notify the State
13 Comptroller, who shall cause the order to be drawn for the
14 amount specified and to the person named in the notification
15 from the Department. The refund shall be paid by the State
16 Treasurer out of the home rule municipal retailers' occupation
17 tax fund or the Local Government Aviation Trust Fund, as
18 appropriate.

19 Except as otherwise provided in this paragraph, the
20 Department shall immediately pay over to the State Treasurer,
21 ex officio, as trustee, all taxes and penalties collected
22 hereunder for deposit into the Home Rule Municipal Retailers'
23 Occupation Tax Fund. Taxes and penalties collected on aviation
24 fuel sold on or after December 1, 2019, shall be immediately
25 paid over by the Department to the State Treasurer, ex
26 officio, as trustee, for deposit into the Local Government

1 Aviation Trust Fund. The Department shall only pay moneys into
2 the Local Government Aviation Trust Fund under this Section
3 for so long as the revenue use requirements of 49 U.S.C.
4 47107(b) and 49 U.S.C. 47133 are binding on the State.

5 As soon as possible after the first day of each month,
6 beginning January 1, 2011, upon certification of the
7 Department of Revenue, the Comptroller shall order
8 transferred, and the Treasurer shall transfer, to the STAR
9 Bonds Revenue Fund the local sales tax increment, as defined
10 in the Innovation Development and Economy Act, collected under

11 this Section during the second preceding calendar month for
12 sales within a STAR bond district.

13 As soon as possible after the first day of each month,
14 beginning July 1, 2026, upon certification of the Department
15 of Revenue, the Comptroller shall order transferred, and the
16 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
17 local sales tax increment, as defined in the Statewide
18 Innovation Development and Economy Act, collected under this
19 Section during the second preceding calendar month for sales
20 within a STAR bond district.

21 After the monthly transfers ~~transfer~~ to the STAR Bonds
22 Revenue Fund, on or before the 25th day of each calendar month,
23 the Department shall prepare and certify to the Comptroller
24 the disbursement of stated sums of money to named
25 municipalities, the municipalities to be those from which
26 retailers have paid taxes or penalties hereunder to the

1 Department during the second preceding calendar month. The
2 amount to be paid to each municipality shall be the amount (not
3 including credit memoranda and not including taxes and
4 penalties collected on aviation fuel sold on or after December
5 1, 2019) collected hereunder during the second preceding
6 calendar month by the Department plus an amount the Department
7 determines is necessary to offset any amounts that were
8 erroneously paid to a different taxing body, and not including
9 an amount equal to the amount of refunds made during the second
10 preceding calendar month by the Department on behalf of such
11 municipality, and not including any amount that the Department
12 determines is necessary to offset any amounts that were
13 payable to a different taxing body but were erroneously paid
14 to the municipality, and not including any amounts that are
15 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
16 remainder, which the Department shall transfer into the Tax
17 Compliance and Administration Fund. The Department, at the
18 time of each monthly disbursement to the municipalities, shall
19 prepare and certify to the State Comptroller the amount to be
20 transferred into the Tax Compliance and Administration Fund
21 under this Section. Within 10 days after receipt by the
22 Comptroller of the disbursement certification to the

23 municipalities and the Tax Compliance and Administration Fund
24 provided for in this Section to be given to the Comptroller by
25 the Department, the Comptroller shall cause the orders to be
26 drawn for the respective amounts in accordance with the

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1 directions contained in the certification.

2 In addition to the disbursement required by the preceding
3 paragraph and in order to mitigate delays caused by
4 distribution procedures, an allocation shall, if requested, be
5 made within 10 days after January 14, 1991, and in November of
6 1991 and each year thereafter, to each municipality that
7 received more than \$500,000 during the preceding fiscal year,
8 (July 1 through June 30) whether collected by the municipality
9 or disbursed by the Department as required by this Section.

10 Within 10 days after January 14, 1991, participating
11 municipalities shall notify the Department in writing of their
12 intent to participate. In addition, for the initial
13 distribution, participating municipalities shall certify to
14 the Department the amounts collected by the municipality for
15 each month under its home rule occupation and service
16 occupation tax during the period July 1, 1989 through June 30,
17 1990. The allocation within 10 days after January 14, 1991,
18 shall be in an amount equal to the monthly average of these
19 amounts, excluding the 2 months of highest receipts. The
20 monthly average for the period of July 1, 1990 through June 30,
21 1991 will be determined as follows: the amounts collected by
22 the municipality under its home rule occupation and service
23 occupation tax during the period of July 1, 1990 through
24 September 30, 1990, plus amounts collected by the Department
25 and paid to such municipality through June 30, 1991, excluding
26 the 2 months of highest receipts. The monthly average for each

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1 subsequent period of July 1 through June 30 shall be an amount
2 equal to the monthly distribution made to each such

3 municipality under the preceding paragraph during this period,
4 excluding the 2 months of highest receipts. The distribution
5 made in November 1991 and each year thereafter under this
6 paragraph and the preceding paragraph shall be reduced by the
7 amount allocated and disbursed under this paragraph in the
8 preceding period of July 1 through June 30. The Department
9 shall prepare and certify to the Comptroller for disbursement
10 the allocations made in accordance with this paragraph.

11 For the purpose of determining the local governmental unit
12 whose tax is applicable, a retail sale by a producer of coal or
13 other mineral mined in Illinois is a sale at retail at the
14 place where the coal or other mineral mined in Illinois is
15 extracted from the earth. This paragraph does not apply to
16 coal or other mineral when it is delivered or shipped by the
17 seller to the purchaser at a point outside Illinois so that the
18 sale is exempt under the United States Constitution as a sale
19 in interstate or foreign commerce.

20 Nothing in this Section shall be construed to authorize a
21 municipality to impose a tax upon the privilege of engaging in
22 any business which under the Constitution of the United States
23 may not be made the subject of taxation by this State.

24 An ordinance or resolution imposing or discontinuing a tax
25 hereunder or effecting a change in the rate thereof shall be
26 adopted and a certified copy thereof filed with the Department

1 on or before the first day of June, whereupon the Department
2 shall proceed to administer and enforce this Section as of the
3 first day of September next following the adoption and filing.
4 Beginning January 1, 1992, an ordinance or resolution imposing
5 or discontinuing the tax hereunder or effecting a change in
6 the rate thereof shall be adopted and a certified copy thereof
7 filed with the Department on or before the first day of July,
8 whereupon the Department shall proceed to administer and
9 enforce this Section as of the first day of October next
10 following such adoption and filing. Beginning January 1, 1993,
11 an ordinance or resolution imposing or discontinuing the tax
12 hereunder or effecting a change in the rate thereof shall be
13 adopted and a certified copy thereof filed with the Department
14 on or before the first day of October, whereupon the

15 Department shall proceed to administer and enforce this
16 Section as of the first day of January next following the
17 adoption and filing. However, a municipality located in a
18 county with a population in excess of 3,000,000 that elected
19 to become a home rule unit at the general primary election in
20 1994 may adopt an ordinance or resolution imposing the tax
21 under this Section and file a certified copy of the ordinance
22 or resolution with the Department on or before July 1, 1994.
23 The Department shall then proceed to administer and enforce
24 this Section as of October 1, 1994. Beginning April 1, 1998, an
25 ordinance or resolution imposing or discontinuing the tax
26 hereunder or effecting a change in the rate thereof shall

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1 either (i) be adopted and a certified copy thereof filed with
2 the Department on or before the first day of April, whereupon
3 the Department shall proceed to administer and enforce this
4 Section as of the first day of July next following the adoption
5 and filing; or (ii) be adopted and a certified copy thereof
6 filed with the Department on or before the first day of
7 October, whereupon the Department shall proceed to administer
8 and enforce this Section as of the first day of January next
9 following the adoption and filing.

10 When certifying the amount of a monthly disbursement to a
11 municipality under this Section, the Department shall increase
12 or decrease the amount by an amount necessary to offset any
13 misallocation of previous disbursements. The offset amount
14 shall be the amount erroneously disbursed within the previous
15 6 months from the time a misallocation is discovered.

16 Any unobligated balance remaining in the Municipal
17 Retailers' Occupation Tax Fund on December 31, 1989, which
18 fund was abolished by Public Act 85-1135, and all receipts of
19 municipal tax as a result of audits of liability periods prior
20 to January 1, 1990, shall be paid into the Local Government Tax
21 Fund for distribution as provided by this Section prior to the
22 enactment of Public Act 85-1135. All receipts of municipal tax
23 as a result of an assessment not arising from an audit, for
24 liability periods prior to January 1, 1990, shall be paid into
25 the Local Government Tax Fund for distribution before July 1,
26 1990, as provided by this Section prior to the enactment of

1 Public Act 85-1135; and on and after July 1, 1990, all such
2 receipts shall be distributed as provided in Section 6z-18 of
3 the State Finance Act.

4 As used in this Section, "municipal" and "municipality"
5 means a city, village or incorporated town, including an
6 incorporated town that has superseded a civil township.

7 This Section shall be known and may be cited as the Home
8 Rule Municipal Retailers' Occupation Tax Act.

9 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

10 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

11 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
12 Occupation Tax Act. The corporate authorities of a non-home
13 rule municipality may impose, by ordinance or resolution
14 adopted in the manner described in Section 8-11-1.1, a tax
15 upon all persons engaged in the business of selling tangible
16 personal property, other than on an item of tangible personal
17 property which is titled and registered by an agency of this
18 State's Government, at retail in the municipality. If imposed,
19 the tax shall be imposed on the gross receipts from such sales
20 made in the course of such business. The proceeds of the tax
21 may be used for public infrastructure or for property tax
22 relief or both, as defined in Section 8-11-1.2. If the tax is
23 approved by referendum on or after July 14, 2010 (the
24 effective date of Public Act 96-1057) and before August 5,
25 2024 (the effective date of Public Act 103-781), the corporate

1 authorities of the non-home rule municipality may, until
2 January 1, 2031, use the proceeds of the tax for expenditure on
3 municipal operations, in addition to or in lieu of any
4 expenditure on public infrastructure or for property tax
5 relief. If the tax is approved by an ordinance or resolution
6 adopted on or after August 5, 2024 (the effective date of

7 Public Act 103-781), the corporate authorities of the non-home
8 rule municipality may, until January 1, 2031, use the proceeds
9 of the tax for expenditure on municipal operations, in
10 addition to or in lieu of any expenditure on public
11 infrastructure or for property tax relief. The tax imposed may
12 not be more than 1% and may be imposed only in 1/4% increments.
13 The tax may not be imposed on tangible personal property taxed
14 at the 1% rate under the Retailers' Occupation Tax Act (or at
15 the 0% rate imposed under this amendatory Act of the 102nd
16 General Assembly). Beginning December 1, 2019, this tax is not
17 imposed on sales of aviation fuel unless the tax revenue is
18 expended for airport-related purposes. If a municipality does
19 not have an airport-related purpose to which it dedicates
20 aviation fuel tax revenue, then aviation fuel is excluded from
21 the tax. Each municipality must comply with the certification
22 requirements for airport-related purposes under Section 2-22
23 of the Retailers' Occupation Tax Act. For purposes of this
24 Section, "airport-related purposes" has the meaning ascribed
25 in Section 6z-20.2 of the State Finance Act. This exclusion
26 for aviation fuel only applies for so long as the revenue use

1 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
2 binding on the municipality. The tax imposed by a municipality
3 pursuant to this Section and all civil penalties that may be
4 assessed as an incident thereof shall be collected and
5 enforced by the State Department of Revenue. The certificate
6 of registration which is issued by the Department to a
7 retailer under the Retailers' Occupation Tax Act shall permit
8 such retailer to engage in a business which is taxable under
9 any ordinance or resolution enacted pursuant to this Section
10 without registering separately with the Department under such
11 ordinance or resolution or under this Section. The Department
12 shall have full power to administer and enforce this Section;
13 to collect all taxes and penalties due hereunder; to dispose
14 of taxes and penalties so collected in the manner hereinafter
15 provided, and to determine all rights to credit memoranda,
16 arising on account of the erroneous payment of tax or penalty
17 hereunder. In the administration of, and compliance with, this
18 Section, the Department and persons who are subject to this

19 Section shall have the same rights, remedies, privileges,
20 immunities, powers and duties, and be subject to the same
21 conditions, restrictions, limitations, penalties and
22 definitions of terms, and employ the same modes of procedure,
23 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,
24 2 through 2-65 (in respect to all provisions therein other
25 than the State rate of tax), 2c, 3 (except as to the
26 disposition of taxes and penalties collected, and except that

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1 the retailer's discount is not allowed for taxes paid on
2 aviation fuel that are subject to the revenue use requirements
3 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
4 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
5 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
6 Section 3-7 of the Uniform Penalty and Interest Act as fully as
7 if those provisions were set forth herein.

8 No municipality may impose a tax under this Section unless
9 the municipality also imposes a tax at the same rate under
10 Section 8-11-1.4 of this Code.

11 If, on January 1, 2025, a unit of local government has in
12 effect a tax under this Section, or if, after January 1, 2025,
13 a unit of local government imposes a tax under this Section,
14 then that tax applies to leases of tangible personal property
15 in effect, entered into, or renewed on or after that date in
16 the same manner as the tax under this Section and in accordance
17 with the changes made by this amendatory Act of the 103rd
18 General Assembly.

19 Persons subject to any tax imposed pursuant to the
20 authority granted in this Section may reimburse themselves for
21 their seller's tax liability hereunder by separately stating
22 such tax as an additional charge, which charge may be stated in
23 combination, in a single amount, with State tax which sellers
24 are required to collect under the Use Tax Act, pursuant to such
25 bracket schedules as the Department may prescribe.

26 Whenever the Department determines that a refund should be

1 made under this Section to a claimant instead of issuing a
2 credit memorandum, the Department shall notify the State
3 Comptroller, who shall cause the order to be drawn for the
4 amount specified, and to the person named, in such
5 notification from the Department. Such refund shall be paid by
6 the State Treasurer out of the non-home rule municipal
7 retailers' occupation tax fund or the Local Government
8 Aviation Trust Fund, as appropriate.

9 Except as otherwise provided, the Department shall
10 forthwith pay over to the State Treasurer, ex officio, as
11 trustee, all taxes and penalties collected hereunder for
12 deposit into the Non-Home Rule Municipal Retailers' Occupation
13 Tax Fund. Taxes and penalties collected on aviation fuel sold
14 on or after December 1, 2019, shall be immediately paid over by
15 the Department to the State Treasurer, ex officio, as trustee,
16 for deposit into the Local Government Aviation Trust Fund. The
17 Department shall only pay moneys into the Local Government
18 Aviation Trust Fund under this Section for so long as the
19 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
20 47133 are binding on the municipality.

21 As soon as possible after the first day of each month,
22 beginning January 1, 2011, upon certification of the
23 Department of Revenue, the Comptroller shall order
24 transferred, and the Treasurer shall transfer, to the STAR
25 Bonds Revenue Fund the local sales tax increment, as defined
26 in the Innovation Development and Economy Act, collected under

1 this Section during the second preceding calendar month for
2 sales within a STAR bond district.

3 As soon as possible after the first day of each month,
4 beginning July 1, 2026, upon certification of the Department
5 of Revenue, the Comptroller shall order transferred, and the
6 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
7 local sales tax increment, as defined in the Statewide
8 Innovation Development and Economy Act, collected under this
9 Section during the second preceding calendar month for sales
10 within a STAR bond district.

11 After the monthly ~~transfers transfer~~ to the STAR Bonds
12 Revenue Fund, on or before the 25th day of each calendar month,
13 the Department shall prepare and certify to the Comptroller
14 the disbursement of stated sums of money to named
15 municipalities, the municipalities to be those from which
16 retailers have paid taxes or penalties hereunder to the
17 Department during the second preceding calendar month. The
18 amount to be paid to each municipality shall be the amount (not
19 including credit memoranda and not including taxes and
20 penalties collected on aviation fuel sold on or after December
21 1, 2019) collected hereunder during the second preceding
22 calendar month by the Department plus an amount the Department
23 determines is necessary to offset any amounts which were
24 erroneously paid to a different taxing body, and not including
25 an amount equal to the amount of refunds made during the second
26 preceding calendar month by the Department on behalf of such

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1 municipality, and not including any amount which the
2 Department determines is necessary to offset any amounts which
3 were payable to a different taxing body but were erroneously
4 paid to the municipality, and not including any amounts that
5 are transferred to the STAR Bonds Revenue Fund, less 1.5% of
6 the remainder, which the Department shall transfer into the
7 Tax Compliance and Administration Fund. The Department, at the
8 time of each monthly disbursement to the municipalities, shall
9 prepare and certify to the State Comptroller the amount to be
10 transferred into the Tax Compliance and Administration Fund
11 under this Section. Within 10 days after receipt, by the
12 Comptroller, of the disbursement certification to the
13 municipalities and the Tax Compliance and Administration Fund
14 provided for in this Section to be given to the Comptroller by
15 the Department, the Comptroller shall cause the orders to be
16 drawn for the respective amounts in accordance with the
17 directions contained in such certification.

18 For the purpose of determining the local governmental unit
19 whose tax is applicable, a retail sale, by a producer of coal
20 or other mineral mined in Illinois, is a sale at retail at the
21 place where the coal or other mineral mined in Illinois is
22 extracted from the earth. This paragraph does not apply to

23 coal or other mineral when it is delivered or shipped by the
24 seller to the purchaser at a point outside Illinois so that the
25 sale is exempt under the Federal Constitution as a sale in
26 interstate or foreign commerce.

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1 Nothing in this Section shall be construed to authorize a
2 municipality to impose a tax upon the privilege of engaging in
3 any business which under the constitution of the United States
4 may not be made the subject of taxation by this State.

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

11 The Department of Revenue shall implement Public Act
12 91-649 so as to collect the tax on and after January 1, 2002.

13 As used in this Section, "municipal" and "municipality"
14 mean a city, village, or incorporated town, including an
15 incorporated town which has superseded a civil township.

16 This Section shall be known and may be cited as the
17 Non-Home Rule Municipal Retailers' Occupation Tax Act.
18 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25;
19 103-1055, eff. 12-20-24.)

20 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

21 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
22 Tax Act. The corporate authorities of a non-home rule
23 municipality may impose, by ordinance or resolution adopted in
24 the manner described in Section 8-11-1.1, a tax upon all
25 persons engaged in the municipality in the business of making

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1 sales of service. If imposed, the tax shall be imposed on the
2 selling price of all tangible personal property transferred by

3 such servicemen, either in the form of tangible personal
4 property or in the form of real estate, as an incident to a
5 sale of service. The proceeds of the tax may be used for public
6 infrastructure or for property tax relief or both, as defined
7 in Section 8-11-1.2. If the tax is approved by referendum on or
8 after July 14, 2010 (the effective date of Public Act 96-1057)
9 and before August 5, 2024 (the effective date of Public Act
10 103-781), the corporate authorities of a non-home rule
11 municipality may, until January 1, 2031, use the proceeds of
12 the tax for expenditure on municipal operations, in addition
13 to or in lieu of any expenditure on public infrastructure or
14 for property tax relief. If the tax is approved by an ordinance
15 or resolution adopted on or after August 5, 2024 (the
16 effective date of Public Act 103-781), the corporate
17 authorities of the non-home rule municipality may, until
18 January 1, 2031, use the proceeds of the tax for expenditure on
19 municipal operations, in addition to or in lieu of any
20 expenditure on public infrastructure or for property tax
21 relief. The tax imposed may not be more than 1% and may be
22 imposed only in 1/4% increments. The tax may not be imposed on
23 tangible personal property taxed at the 1% rate under the
24 Service Occupation Tax Act (or at the 0% rate imposed under
25 this amendatory Act of the 102nd General Assembly). Beginning
26 December 1, 2019, this tax is not imposed on sales of aviation

1 fuel unless the tax revenue is expended for airport-related
2 purposes. If a municipality does not have an airport-related
3 purpose to which it dedicates aviation fuel tax revenue, then
4 aviation fuel is excluded from the tax. Each municipality must
5 comply with the certification requirements for airport-related
6 purposes under Section 2-22 of the Retailers' Occupation Tax
7 Act. For purposes of this Section, "airport-related purposes"
8 has the meaning ascribed in Section 6z-20.2 of the State
9 Finance Act. This exclusion for aviation fuel only applies for
10 so long as the revenue use requirements of 49 U.S.C. 47107(b)
11 and 49 U.S.C. 47133 are binding on the municipality. The tax
12 imposed by a municipality pursuant to this Section and all
13 civil penalties that may be assessed as an incident thereof
14 shall be collected and enforced by the State Department of

15 Revenue. The certificate of registration which is issued by
16 the Department to a retailer under the Retailers' Occupation
17 Tax Act or under the Service Occupation Tax Act shall permit
18 such registrant to engage in a business which is taxable under
19 any ordinance or resolution enacted pursuant to this Section
20 without registering separately with the Department under such
21 ordinance or resolution or under this Section. The Department
22 shall have full power to administer and enforce this Section;
23 to collect all taxes and penalties due hereunder; to dispose
24 of taxes and penalties so collected in the manner hereinafter
25 provided, and to determine all rights to credit memoranda
26 arising on account of the erroneous payment of tax or penalty

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1 hereunder. In the administration of, and compliance with, this
2 Section the Department and persons who are subject to this
3 Section shall have the same rights, remedies, privileges,
4 immunities, powers and duties, and be subject to the same
5 conditions, restrictions, limitations, penalties and
6 definitions of terms, and employ the same modes of procedure,
7 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
8 respect to all provisions therein other than the State rate of
9 tax), 4 (except that the reference to the State shall be to the
10 taxing municipality), 5, 7, 8 (except that the jurisdiction to
11 which the tax shall be a debt to the extent indicated in that
12 Section 8 shall be the taxing municipality), 9 (except as to
13 the disposition of taxes and penalties collected, and except
14 that the returned merchandise credit for this municipal tax
15 may not be taken against any State tax, and except that the
16 retailer's discount is not allowed for taxes paid on aviation
17 fuel that are subject to the revenue use requirements of 49
18 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the
19 reference therein to Section 2b of the Retailers' Occupation
20 Tax Act), 13 (except that any reference to the State shall mean
21 the taxing municipality), the first paragraph of Section 15,
22 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and
23 Section 3-7 of the Uniform Penalty and Interest Act, as fully
24 as if those provisions were set forth herein.

25 No municipality may impose a tax under this Section unless
26 the municipality also imposes a tax at the same rate under

1 Section 8-11-1.3 of this Code.

2 If, on January 1, 2025, a unit of local government has in
3 effect a tax under this Section, or if, after January 1, 2025,
4 a unit of local government imposes a tax under this Section,
5 then that tax applies to leases of tangible personal property
6 in effect, entered into, or renewed on or after that date in
7 the same manner as the tax under this Section and in accordance
8 with the changes made by this amendatory Act of the 103rd
9 General Assembly.

10 Persons subject to any tax imposed pursuant to the
11 authority granted in this Section may reimburse themselves for
12 their serviceman's tax liability hereunder by separately
13 stating such tax as an additional charge, which charge may be
14 stated in combination, in a single amount, with State tax
15 which servicemen are authorized to collect under the Service
16 Use Tax Act, pursuant to such bracket schedules as the
17 Department may prescribe.

18 Whenever the Department determines that a refund should be
19 made under this Section to a claimant instead of issuing
20 credit memorandum, the Department shall notify the State
21 Comptroller, who shall cause the order to be drawn for the
22 amount specified, and to the person named, in such
23 notification from the Department. Such refund shall be paid by
24 the State Treasurer out of the municipal retailers' occupation
25 tax fund or the Local Government Aviation Trust Fund, as
26 appropriate.

1 Except as otherwise provided in this paragraph, the
2 Department shall forthwith pay over to the State Treasurer, ex
3 officio, as trustee, all taxes and penalties collected
4 hereunder for deposit into the municipal retailers' occupation
5 tax fund. Taxes and penalties collected on aviation fuel sold
6 on or after December 1, 2019, shall be immediately paid over by

7 the Department to the State Treasurer, ex officio, as trustee,
8 for deposit into the Local Government Aviation Trust Fund. The
9 Department shall only pay moneys into the Local Government
10 Aviation Trust Fund under this Section for so long as the
11 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
12 47133 are binding on the municipality.

13 As soon as possible after the first day of each month,
14 beginning January 1, 2011, upon certification of the
15 Department of Revenue, the Comptroller shall order
16 transferred, and the Treasurer shall transfer, to the STAR
17 Bonds Revenue Fund the local sales tax increment, as defined
18 in the Innovation Development and Economy Act, collected under
19 this Section during the second preceding calendar month for
20 sales within a STAR bond district.

21 As soon as possible after the first day of each month,
22 beginning July 1, 2026, upon certification of the Department
23 of Revenue, the Comptroller shall order transferred, and the
24 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
25 local sales tax increment, as defined in the Statewide
26 Innovation Development and Economy Act, collected under this

1 Section during the second preceding calendar month for sales
2 within a STAR bond district.

3 After the monthly ~~transfers transfer~~ to the STAR Bonds
4 Revenue Fund, on or before the 25th day of each calendar month,
5 the Department shall prepare and certify to the Comptroller
6 the disbursement of stated sums of money to named
7 municipalities, the municipalities to be those from which
8 suppliers and servicemen have paid taxes or penalties
9 hereunder to the Department during the second preceding
10 calendar month. The amount to be paid to each municipality
11 shall be the amount (not including credit memoranda and not
12 including taxes and penalties collected on aviation fuel sold
13 on or after December 1, 2019) collected hereunder during the
14 second preceding calendar month by the Department, and not
15 including an amount equal to the amount of refunds made during
16 the second preceding calendar month by the Department on
17 behalf of such municipality, and not including any amounts
18 that are transferred to the STAR Bonds Revenue Fund, less 1.5%

19 of the remainder, which the Department shall transfer into the
20 Tax Compliance and Administration Fund. The Department, at the
21 time of each monthly disbursement to the municipalities, shall
22 prepare and certify to the State Comptroller the amount to be
23 transferred into the Tax Compliance and Administration Fund
24 under this Section. Within 10 days after receipt, by the
25 Comptroller, of the disbursement certification to the
26 municipalities, the General Revenue Fund, and the Tax

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1 Compliance and Administration Fund provided for in this
2 Section to be given to the Comptroller by the Department, the
3 Comptroller shall cause the orders to be drawn for the
4 respective amounts in accordance with the directions contained
5 in such certification.

6 The Department of Revenue shall implement Public Act
7 91-649 so as to collect the tax on and after January 1, 2002.

8 Nothing in this Section shall be construed to authorize a
9 municipality to impose a tax upon the privilege of engaging in
10 any business which under the constitution of the United States
11 may not be made the subject of taxation by this State.

12 As used in this Section, "municipal" or "municipality"
13 means or refers to a city, village or incorporated town,
14 including an incorporated town which has superseded a civil
15 township.

16 This Section shall be known and may be cited as the
17 "Non-Home Rule Municipal Service Occupation Tax Act".

18 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
19 103-592, eff. 1-1-25; 103-1055, eff. 12-20-24.)

20 (65 ILCS 5/8-11-1.6)

21 Sec. 8-11-1.6. Non-home rule municipal retailers'
22 occupation tax; municipalities between 20,000 and 25,000. The
23 corporate authorities of a non-home rule municipality with a
24 population of more than 20,000 but less than 25,000 that has,
25 prior to January 1, 1987, established a Redevelopment Project

1 Area that has been certified as a State Sales Tax Boundary and
2 has issued bonds or otherwise incurred indebtedness to pay for
3 costs in excess of \$5,000,000, which is secured in part by a
4 tax increment allocation fund, in accordance with the
5 provisions of Division 11-74.4 of this Code may, by passage of
6 an ordinance, impose a tax upon all persons engaged in the
7 business of selling tangible personal property, other than on
8 an item of tangible personal property that is titled and
9 registered by an agency of this State's Government, at retail
10 in the municipality. This tax may not be imposed on tangible
11 personal property taxed at the 1% rate under the Retailers'
12 Occupation Tax Act (or at the 0% rate imposed under this
13 amendatory Act of the 102nd General Assembly). Beginning
14 December 1, 2019, this tax is not imposed on sales of aviation
15 fuel unless the tax revenue is expended for airport-related
16 purposes. If a municipality does not have an airport-related
17 purpose to which it dedicates aviation fuel tax revenue, then
18 aviation fuel is excluded from the tax. Each municipality must
19 comply with the certification requirements for airport-related
20 purposes under Section 2-22 of the Retailers' Occupation Tax
21 Act. For purposes of this Section, "airport-related purposes"
22 has the meaning ascribed in Section 6z-20.2 of the State
23 Finance Act. This exclusion for aviation fuel only applies for
24 so long as the revenue use requirements of 49 U.S.C. 47107(b)
25 and 49 U.S.C. 47133 are binding on the municipality. If
26 imposed, the tax shall only be imposed in .25% increments of

1 the gross receipts from such sales made in the course of
2 business. Any tax imposed by a municipality under this Section
3 and all civil penalties that may be assessed as an incident
4 thereof shall be collected and enforced by the State
5 Department of Revenue. An ordinance imposing a tax hereunder
6 or effecting a change in the rate thereof shall be adopted and
7 a certified copy thereof filed with the Department on or
8 before the first day of October, whereupon the Department
9 shall proceed to administer and enforce this Section as of the
10 first day of January next following such adoption and filing.

11 The certificate of registration that is issued by the
12 Department to a retailer under the Retailers' Occupation Tax
13 Act shall permit the retailer to engage in a business that is
14 taxable under any ordinance or resolution enacted under this
15 Section without registering separately with the Department
16 under the ordinance or resolution or under this Section. The
17 Department shall have full power to administer and enforce
18 this Section, to collect all taxes and penalties due
19 hereunder, to dispose of taxes and penalties so collected in
20 the manner hereinafter provided, and to determine all rights
21 to credit memoranda, arising on account of the erroneous
22 payment of tax or penalty hereunder. In the administration of,
23 and compliance with this Section, the Department and persons
24 who are subject to this Section shall have the same rights,
25 remedies, privileges, immunities, powers, and duties, and be
26 subject to the same conditions, restrictions, limitations,

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1 penalties, and definitions of terms, and employ the same modes
2 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,
3 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
4 therein other than the State rate of tax), 2c, 3 (except as to
5 the disposition of taxes and penalties collected, and except
6 that the retailer's discount is not allowed for taxes paid on
7 aviation fuel that are subject to the revenue use requirements
8 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
9 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
10 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
11 Section 3-7 of the Uniform Penalty and Interest Act as fully as
12 if those provisions were set forth herein.

13 A tax may not be imposed by a municipality under this
14 Section unless the municipality also imposes a tax at the same
15 rate under Section 8-11-1.7 of this Act.

16 If, on January 1, 2025, a unit of local government has in
17 effect a tax under this Section, or if, after January 1, 2025,
18 a unit of local government imposes a tax under this Section,
19 then that tax applies to leases of tangible personal property
20 in effect, entered into, or renewed on or after that date in
21 the same manner as the tax under this Section and in accordance
22 with the changes made by this amendatory Act of the 103rd

23 General Assembly.

24 Persons subject to any tax imposed under the authority
25 granted in this Section may reimburse themselves for their
26 seller's tax liability hereunder by separately stating the tax

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1 as an additional charge, which charge may be stated in
2 combination, in a single amount, with State tax which sellers
3 are required to collect under the Use Tax Act, pursuant to such
4 bracket schedules as the Department may prescribe.

5 Whenever the Department determines that a refund should be
6 made under this Section to a claimant, instead of issuing a
7 credit memorandum, the Department shall notify the State
8 Comptroller, who shall cause the order to be drawn for the
9 amount specified, and to the person named in the notification
10 from the Department. The refund shall be paid by the State
11 Treasurer out of the Non-Home Rule Municipal Retailers'
12 Occupation Tax Fund, which is hereby created or the Local
13 Government Aviation Trust Fund, as appropriate.

14 Except as otherwise provided in this paragraph, the
15 Department shall forthwith pay over to the State Treasurer, ex
16 officio, as trustee, all taxes and penalties collected
17 hereunder for deposit into the Non-Home Rule Municipal
18 Retailers' Occupation Tax Fund. Taxes and penalties collected
19 on aviation fuel sold on or after December 1, 2019, shall be
20 immediately paid over by the Department to the State
21 Treasurer, ex officio, as trustee, for deposit into the Local
22 Government Aviation Trust Fund. The Department shall only pay
23 moneys into the Local Government Aviation Trust Fund under
24 this Section for so long as the revenue use requirements of 49
25 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
26 municipality.

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1 As soon as possible after the first day of each month,
2 beginning January 1, 2011, upon certification of the

3 Department of Revenue, the Comptroller shall order
4 transferred, and the Treasurer shall transfer, to the STAR
5 Bonds Revenue Fund the local sales tax increment, as defined
6 in the Innovation Development and Economy Act, collected under
7 this Section during the second preceding calendar month for
8 sales within a STAR bond district.

9 As soon as possible after the first day of each month,
10 beginning July 1, 2026, upon certification of the Department
11 of Revenue, the Comptroller shall order transferred, and the
12 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
13 local sales tax increment, as defined in the Statewide
14 Innovation Development and Economy Act, collected under this
15 Section during the second preceding calendar month for sales
16 within a STAR bond district.

17 After the monthly transfers ~~transfer~~ to the STAR Bonds
18 Revenue Fund, on or before the 25th day of each calendar month,
19 the Department shall prepare and certify to the Comptroller
20 the disbursement of stated sums of money to named
21 municipalities, the municipalities to be those from which
22 retailers have paid taxes or penalties hereunder to the
23 Department during the second preceding calendar month. The
24 amount to be paid to each municipality shall be the amount (not
25 including credit memoranda and not including taxes and
26 penalties collected on aviation fuel sold on or after December

1 1, 2019) collected hereunder during the second preceding
2 calendar month by the Department plus an amount the Department
3 determines is necessary to offset any amounts that were
4 erroneously paid to a different taxing body, and not including
5 an amount equal to the amount of refunds made during the second
6 preceding calendar month by the Department on behalf of the
7 municipality, and not including any amount that the Department
8 determines is necessary to offset any amounts that were
9 payable to a different taxing body but were erroneously paid
10 to the municipality, and not including any amounts that are
11 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
12 remainder, which the Department shall transfer into the Tax
13 Compliance and Administration Fund. The Department, at the
14 time of each monthly disbursement to the municipalities, shall

15 prepare and certify to the State Comptroller the amount to be
16 transferred into the Tax Compliance and Administration Fund
17 under this Section. Within 10 days after receipt by the
18 Comptroller of the disbursement certification to the
19 municipalities and the Tax Compliance and Administration Fund
20 provided for in this Section to be given to the Comptroller by
21 the Department, the Comptroller shall cause the orders to be
22 drawn for the respective amounts in accordance with the
23 directions contained in the certification.

24 For the purpose of determining the local governmental unit
25 whose tax is applicable, a retail sale by a producer of coal or
26 other mineral mined in Illinois is a sale at retail at the

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1 place where the coal or other mineral mined in Illinois is
2 extracted from the earth. This paragraph does not apply to
3 coal or other mineral when it is delivered or shipped by the
4 seller to the purchaser at a point outside Illinois so that the
5 sale is exempt under the federal Constitution as a sale in
6 interstate or foreign commerce.

7 Nothing in this Section shall be construed to authorize a
8 municipality to impose a tax upon the privilege of engaging in
9 any business which under the constitution of the United States
10 may not be made the subject of taxation by this State.

11 When certifying the amount of a monthly disbursement to a
12 municipality under this Section, the Department shall increase
13 or decrease the amount by an amount necessary to offset any
14 misallocation of previous disbursements. The offset amount
15 shall be the amount erroneously disbursed within the previous
16 6 months from the time a misallocation is discovered.

17 As used in this Section, "municipal" and "municipality"
18 means a city, village, or incorporated town, including an
19 incorporated town that has superseded a civil township.
20 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

21 (65 ILCS 5/8-11-1.7)

22 Sec. 8-11-1.7. Non-home rule municipal service occupation
23 tax; municipalities between 20,000 and 25,000. The corporate
24 authorities of a non-home rule municipality with a population
25 of more than 20,000 but less than 25,000 as determined by the

1 last preceding decennial census that has, prior to January 1,
2 1987, established a Redevelopment Project Area that has been
3 certified as a State Sales Tax Boundary and has issued bonds or
4 otherwise incurred indebtedness to pay for costs in excess of
5 \$5,000,000, which is secured in part by a tax increment
6 allocation fund, in accordance with the provisions of Division
7 11-74.4 of this Code may, by passage of an ordinance, impose a
8 tax upon all persons engaged in the municipality in the
9 business of making sales of service. If imposed, the tax shall
10 only be imposed in .25% increments of the selling price of all
11 tangible personal property transferred by such servicemen
12 either in the form of tangible personal property or in the form
13 of real estate as an incident to a sale of service. This tax
14 may not be imposed on tangible personal property taxed at the
15 1% rate under the Service Occupation Tax Act (or at the 0% rate
16 imposed under this amendatory Act of the 102nd General
17 Assembly). Beginning December 1, 2019, this tax is not imposed
18 on sales of aviation fuel unless the tax revenue is expended
19 for airport-related purposes. If a municipality does not have
20 an airport-related purpose to which it dedicates aviation fuel
21 tax revenue, then aviation fuel is excluded from the tax. Each
22 municipality must comply with the certification requirements
23 for airport-related purposes under Section 2-22 of the
24 Retailers' Occupation Tax Act. For purposes of this Section,
25 "airport-related purposes" has the meaning ascribed in Section
26 6z-20.2 of the State Finance Act. This exclusion for aviation

1 fuel only applies for so long as the revenue use requirements
2 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
3 municipality. The tax imposed by a municipality under this
4 Section and all civil penalties that may be assessed as an
5 incident thereof shall be collected and enforced by the State
6 Department of Revenue. An ordinance imposing a tax hereunder

7 or effecting a change in the rate thereof shall be adopted and
8 a certified copy thereof filed with the Department on or
9 before the first day of October, whereupon the Department
10 shall proceed to administer and enforce this Section as of the
11 first day of January next following such adoption and filing.
12 The certificate of registration that is issued by the
13 Department to a retailer under the Retailers' Occupation Tax
14 Act or under the Service Occupation Tax Act shall permit the
15 registrant to engage in a business that is taxable under any
16 ordinance or resolution enacted under this Section without
17 registering separately with the Department under the ordinance
18 or resolution or under this Section. The Department shall have
19 full power to administer and enforce this Section, to collect
20 all taxes and penalties due hereunder, to dispose of taxes and
21 penalties so collected in a manner hereinafter provided, and
22 to determine all rights to credit memoranda arising on account
23 of the erroneous payment of tax or penalty hereunder. In the
24 administration of and compliance with this Section, the
25 Department and persons who are subject to this Section shall
26 have the same rights, remedies, privileges, immunities,

1 powers, and duties, and be subject to the same conditions,
2 restrictions, limitations, penalties and definitions of terms,
3 and employ the same modes of procedure, as are prescribed in
4 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
5 provisions therein other than the State rate of tax), 4
6 (except that the reference to the State shall be to the taxing
7 municipality), 5, 7, 8 (except that the jurisdiction to which
8 the tax shall be a debt to the extent indicated in that Section
9 shall be the taxing municipality), 9 (except as to the
10 disposition of taxes and penalties collected, and except that
11 the returned merchandise credit for this municipal tax may not
12 be taken against any State tax, and except that the retailer's
13 discount is not allowed for taxes paid on aviation fuel that
14 are subject to the revenue use requirements of 49 U.S.C.
15 47107(b) and 49 U.S.C. 47133), 10, 11, 12, (except the
16 reference therein to Section 2b of the Retailers' Occupation
17 Tax Act), 13 (except that any reference to the State shall mean
18 the taxing municipality), the first paragraph of Sections 15,

19 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and
20 Section 3-7 of the Uniform Penalty and Interest Act, as fully
21 as if those provisions were set forth herein.

22 A tax may not be imposed by a municipality under this
23 Section unless the municipality also imposes a tax at the same
24 rate under Section 8-11-1.6 of this Act.

25 If, on January 1, 2025, a unit of local government has in
26 effect a tax under this Section, or if, after January 1, 2025,

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1 a unit of local government imposes a tax under this Section,
2 then that tax applies to leases of tangible personal property
3 in effect, entered into, or renewed on or after that date in
4 the same manner as the tax under this Section and in accordance
5 with the changes made by this amendatory Act of the 103rd
6 General Assembly.

7 Person subject to any tax imposed under the authority
8 granted in this Section may reimburse themselves for their
9 servicemen's tax liability hereunder by separately stating the
10 tax as an additional charge, which charge may be stated in
11 combination, in a single amount, with State tax that
12 servicemen are authorized to collect under the Service Use Tax
13 Act, under such bracket schedules as the Department may
14 prescribe.

15 Whenever the Department determines that a refund should be
16 made under this Section to a claimant instead of issuing
17 credit memorandum, the Department shall notify the State
18 Comptroller, who shall cause the order to be drawn for the
19 amount specified, and to the person named, in such
20 notification from the Department. The refund shall be paid by
21 the State Treasurer out of the Non-Home Rule Municipal
22 Retailers' Occupation Tax Fund or the Local Government
23 Aviation Trust Fund, as appropriate.

24 Except as otherwise provided in this paragraph, the
25 Department shall forthwith pay over to the State Treasurer, ex
26 officio, as trustee, all taxes and penalties collected

1 hereunder for deposit into the Non-Home Rule Municipal
2 Retailers' Occupation Tax Fund. Taxes and penalties collected
3 on aviation fuel sold on or after December 1, 2019, shall be
4 immediately paid over by the Department to the State
5 Treasurer, ex officio, as trustee, for deposit into the Local
6 Government Aviation Trust Fund. The Department shall only pay
7 moneys into the Local Government Aviation Trust Fund under
8 this Section for so long as the revenue use requirements of 49
9 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
10 Municipality.

11 As soon as possible after the first day of each month,
12 beginning January 1, 2011, upon certification of the
13 Department of Revenue, the Comptroller shall order
14 transferred, and the Treasurer shall transfer, to the STAR
15 Bonds Revenue Fund the local sales tax increment, as defined
16 in the Innovation Development and Economy Act, collected under
17 this Section during the second preceding calendar month for
18 sales within a STAR bond district.

19 As soon as possible after the first day of each month,
20 beginning July 1, 2026, upon certification of the Department
21 of Revenue, the Comptroller shall order transferred, and the
22 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
23 local sales tax increment, as defined in the Statewide
24 Innovation Development and Economy Act, collected under this
25 Section during the second preceding calendar month for sales
26 within a STAR bond district.

1 After the monthly ~~transfers transfer~~ to the STAR Bonds
2 Revenue Fund, on or before the 25th day of each calendar month,
3 the Department shall prepare and certify to the Comptroller
4 the disbursement of stated sums of money to named
5 municipalities, the municipalities to be those from which
6 suppliers and servicemen have paid taxes or penalties
7 hereunder to the Department during the second preceding
8 calendar month. The amount to be paid to each municipality
9 shall be the amount (not including credit memoranda and not
10 including taxes and penalties collected on aviation fuel sold

11 on or after December 1, 2019) collected hereunder during the
12 second preceding calendar month by the Department, and not
13 including an amount equal to the amount of refunds made during
14 the second preceding calendar month by the Department on
15 behalf of such municipality, and not including any amounts
16 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
17 of the remainder, which the Department shall transfer into the
18 Tax Compliance and Administration Fund. The Department, at the
19 time of each monthly disbursement to the municipalities, shall
20 prepare and certify to the State Comptroller the amount to be
21 transferred into the Tax Compliance and Administration Fund
22 under this Section. Within 10 days after receipt by the
23 Comptroller of the disbursement certification to the
24 municipalities, the Tax Compliance and Administration Fund,
25 and the General Revenue Fund, provided for in this Section to
26 be given to the Comptroller by the Department, the Comptroller

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1 shall cause the orders to be drawn for the respective amounts
2 in accordance with the directions contained in the
3 certification.

4 When certifying the amount of a monthly disbursement to a
5 municipality under this Section, the Department shall increase
6 or decrease the amount by an amount necessary to offset any
7 misallocation of previous disbursements. The offset amount
8 shall be the amount erroneously disbursed within the previous
9 6 months from the time a misallocation is discovered.

10 Nothing in this Section shall be construed to authorize a
11 municipality to impose a tax upon the privilege of engaging in
12 any business which under the constitution of the United States
13 may not be made the subject of taxation by this State.

14 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

15 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

16 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax
17 Act. The corporate authorities of a home rule municipality may
18 impose a tax upon all persons engaged, in such municipality,
19 in the business of making sales of service at the same rate of
20 tax imposed pursuant to Section 8-11-1, of the selling price
21 of all tangible personal property transferred by such

22 servicemen either in the form of tangible personal property or
23 in the form of real estate as an incident to a sale of service.
24 If imposed, such tax shall only be imposed in 1/4% increments.
25 On and after September 1, 1991, this additional tax may not be

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1 imposed on tangible personal property taxed at the 1% rate
2 under the Service Occupation Tax Act (or at the 0% rate imposed
3 under this amendatory Act of the 102nd General Assembly).
4 Beginning December 1, 2019, this tax may not be imposed on
5 sales of aviation fuel unless the tax revenue is expended for
6 airport-related purposes. If a municipality does not have an
7 airport-related purpose to which it dedicates aviation fuel
8 tax revenue, then aviation fuel shall be excluded from tax.
9 Each municipality must comply with the certification
10 requirements for airport-related purposes under Section 2-22
11 of the Retailers' Occupation Tax Act. For purposes of this
12 Section, "airport-related purposes" has the meaning ascribed
13 in Section 6z-20.2 of the State Finance Act. This exception
14 for aviation fuel only applies for so long as the revenue use
15 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
16 binding on the State. The changes made to this Section by this
17 amendatory Act of the 101st General Assembly are a denial and
18 limitation of home rule powers and functions under subsection
19 (g) of Section 6 of Article VII of the Illinois Constitution.
20 The tax imposed by a home rule municipality pursuant to this
21 Section and all civil penalties that may be assessed as an
22 incident thereof shall be collected and enforced by the State
23 Department of Revenue. The certificate of registration which
24 is issued by the Department to a retailer under the Retailers'
25 Occupation Tax Act or under the Service Occupation Tax Act
26 shall permit such registrant to engage in a business which is

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1 taxable under any ordinance or resolution enacted pursuant to
2 this Section without registering separately with the

3 Department under such ordinance or resolution or under this
4 Section. The Department shall have full power to administer
5 and enforce this Section; to collect all taxes and penalties
6 due hereunder; to dispose of taxes and penalties so collected
7 in the manner hereinafter provided, and to determine all
8 rights to credit memoranda arising on account of the erroneous
9 payment of tax or penalty hereunder. In the administration of,
10 and compliance with, this Section the Department and persons
11 who are subject to this Section shall have the same rights,
12 remedies, privileges, immunities, powers and duties, and be
13 subject to the same conditions, restrictions, limitations,
14 penalties and definitions of terms, and employ the same modes
15 of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3
16 through 3-50 (in respect to all provisions therein other than
17 the State rate of tax), 4 (except that the reference to the
18 State shall be to the taxing municipality), 5, 7, 8 (except
19 that the jurisdiction to which the tax shall be a debt to the
20 extent indicated in that Section 8 shall be the taxing
21 municipality), 9 (except as to the disposition of taxes and
22 penalties collected, and except that the returned merchandise
23 credit for this municipal tax may not be taken against any
24 State tax, and except that the retailer's discount is not
25 allowed for taxes paid on aviation fuel that are subject to the
26 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.

1 47133), 10, 11, 12 (except the reference therein to Section 2b
2 of the Retailers' Occupation Tax Act), 13 (except that any
3 reference to the State shall mean the taxing municipality),
4 the first paragraph of Section 15, 16, 17 (except that credit
5 memoranda issued hereunder may not be used to discharge any
6 State tax liability), 18, 19 and 20 of the Service Occupation
7 Tax Act and Section 3-7 of the Uniform Penalty and Interest
8 Act, as fully as if those provisions were set forth herein.

9 No tax may be imposed by a home rule municipality pursuant
10 to this Section unless such municipality also imposes a tax at
11 the same rate pursuant to Section 8-11-1 of this Act.

12 Persons subject to any tax imposed pursuant to the
13 authority granted in this Section may reimburse themselves for
14 their serviceman's tax liability hereunder by separately

15 stating such tax as an additional charge, which charge may be
16 stated in combination, in a single amount, with State tax
17 which servicemen are authorized to collect under the Service
18 Use Tax Act, pursuant to such bracket schedules as the
19 Department may prescribe.

20 Whenever the Department determines that a refund should be
21 made under this Section to a claimant instead of issuing
22 credit memorandum, the Department shall notify the State
23 Comptroller, who shall cause the order to be drawn for the
24 amount specified, and to the person named, in such
25 notification from the Department. Such refund shall be paid by
26 the State Treasurer out of the home rule municipal retailers'

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1 occupation tax fund or the Local Government Aviation Trust
2 Fund, as appropriate.

3 Except as otherwise provided in this paragraph, the
4 Department shall forthwith pay over to the State Treasurer, ex
5 officio, as trustee, all taxes and penalties collected
6 hereunder for deposit into the Home Rule Municipal Retailers'
7 Occupation Tax Fund. Taxes and penalties collected on aviation
8 fuel sold on or after December 1, 2019, shall be immediately
9 paid over by the Department to the State Treasurer, ex
10 officio, as trustee, for deposit into the Local Government
11 Aviation Trust Fund. The Department shall only pay moneys into
12 the Local Government Aviation Trust Fund under this Section
13 for so long as the revenue use requirements of 49 U.S.C.
14 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

15 As soon as possible after the first day of each month,
16 beginning January 1, 2011, upon certification of the
17 Department of Revenue, the Comptroller shall order
18 transferred, and the Treasurer shall transfer, to the STAR
19 Bonds Revenue Fund the local sales tax increment, as defined
20 in the Innovation Development and Economy Act, collected under
21 this Section during the second preceding calendar month for
22 sales within a STAR bond district.

23 As soon as possible after the first day of each month,
24 beginning July 1, 2026, upon certification of the Department
25 of Revenue, the Comptroller shall order transferred, and the
26 Treasurer shall transfer, to the STAR Bonds Revenue Fund the

1 local sales tax increment, as defined in the Statewide
2 Innovation Development and Economy Act, collected under this
3 Section during the second preceding calendar month for sales
4 within a STAR bond district.

5 After the monthly transfers ~~transfer~~ to the STAR Bonds
6 Revenue Fund, on or before the 25th day of each calendar month,
7 the Department shall prepare and certify to the Comptroller
8 the disbursement of stated sums of money to named
9 municipalities, the municipalities to be those from which
10 suppliers and servicemen have paid taxes or penalties
11 hereunder to the Department during the second preceding
12 calendar month. The amount to be paid to each municipality
13 shall be the amount (not including credit memoranda and not
14 including taxes and penalties collected on aviation fuel sold
15 on or after December 1, 2019) collected hereunder during the
16 second preceding calendar month by the Department, and not
17 including an amount equal to the amount of refunds made during
18 the second preceding calendar month by the Department on
19 behalf of such municipality, and not including any amounts
20 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
21 of the remainder, which the Department shall transfer into the
22 Tax Compliance and Administration Fund. The Department, at the
23 time of each monthly disbursement to the municipalities, shall
24 prepare and certify to the State Comptroller the amount to be
25 transferred into the Tax Compliance and Administration Fund
26 under this Section. Within 10 days after receipt, by the

1 Comptroller, of the disbursement certification to the
2 municipalities and the Tax Compliance and Administration Fund
3 provided for in this Section to be given to the Comptroller by
4 the Department, the Comptroller shall cause the orders to be
5 drawn for the respective amounts in accordance with the
6 directions contained in such certification.

7 In addition to the disbursement required by the preceding
8 paragraph and in order to mitigate delays caused by
9 distribution procedures, an allocation shall, if requested, be
10 made within 10 days after January 14, 1991, and in November of
11 1991 and each year thereafter, to each municipality that
12 received more than \$500,000 during the preceding fiscal year,
13 (July 1 through June 30) whether collected by the municipality
14 or disbursed by the Department as required by this Section.
15 Within 10 days after January 14, 1991, participating
16 municipalities shall notify the Department in writing of their
17 intent to participate. In addition, for the initial
18 distribution, participating municipalities shall certify to
19 the Department the amounts collected by the municipality for
20 each month under its home rule occupation and service
21 occupation tax during the period July 1, 1989 through June 30,
22 1990. The allocation within 10 days after January 14, 1991,
23 shall be in an amount equal to the monthly average of these
24 amounts, excluding the 2 months of highest receipts. Monthly
25 average for the period of July 1, 1990 through June 30, 1991
26 will be determined as follows: the amounts collected by the

1 municipality under its home rule occupation and service
2 occupation tax during the period of July 1, 1990 through
3 September 30, 1990, plus amounts collected by the Department
4 and paid to such municipality through June 30, 1991, excluding
5 the 2 months of highest receipts. The monthly average for each
6 subsequent period of July 1 through June 30 shall be an amount
7 equal to the monthly distribution made to each such
8 municipality under the preceding paragraph during this period,
9 excluding the 2 months of highest receipts. The distribution
10 made in November 1991 and each year thereafter under this
11 paragraph and the preceding paragraph shall be reduced by the
12 amount allocated and disbursed under this paragraph in the
13 preceding period of July 1 through June 30. The Department
14 shall prepare and certify to the Comptroller for disbursement
15 the allocations made in accordance with this paragraph.

16 Nothing in this Section shall be construed to authorize a
17 municipality to impose a tax upon the privilege of engaging in
18 any business which under the constitution of the United States

19 may not be made the subject of taxation by this State.

20 An ordinance or resolution imposing or discontinuing a tax
21 hereunder or effecting a change in the rate thereof shall be
22 adopted and a certified copy thereof filed with the Department
23 on or before the first day of June, whereupon the Department
24 shall proceed to administer and enforce this Section as of the
25 first day of September next following such adoption and
26 filing. Beginning January 1, 1992, an ordinance or resolution

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1 imposing or discontinuing the tax hereunder or effecting a
2 change in the rate thereof shall be adopted and a certified
3 copy thereof filed with the Department on or before the first
4 day of July, whereupon the Department shall proceed to
5 administer and enforce this Section as of the first day of
6 October next following such adoption and filing. Beginning
7 January 1, 1993, an ordinance or resolution imposing or
8 discontinuing the tax hereunder or effecting a change in the
9 rate thereof shall be adopted and a certified copy thereof
10 filed with the Department on or before the first day of
11 October, whereupon the Department shall proceed to administer
12 and enforce this Section as of the first day of January next
13 following such adoption and filing. However, a municipality
14 located in a county with a population in excess of 3,000,000
15 that elected to become a home rule unit at the general primary
16 election in 1994 may adopt an ordinance or resolution imposing
17 the tax under this Section and file a certified copy of the
18 ordinance or resolution with the Department on or before July
19 1, 1994. The Department shall then proceed to administer and
20 enforce this Section as of October 1, 1994. Beginning April 1,
21 1998, an ordinance or resolution imposing or discontinuing the
22 tax hereunder or effecting a change in the rate thereof shall
23 either (i) be adopted and a certified copy thereof filed with
24 the Department on or before the first day of April, whereupon
25 the Department shall proceed to administer and enforce this
26 Section as of the first day of July next following the adoption

1 and filing; or (ii) be adopted and a certified copy thereof
2 filed with the Department on or before the first day of
3 October, whereupon the Department shall proceed to administer
4 and enforce this Section as of the first day of January next
5 following the adoption and filing.

6 Any unobligated balance remaining in the Municipal
7 Retailers' Occupation Tax Fund on December 31, 1989, which
8 fund was abolished by Public Act 85-1135, and all receipts of
9 municipal tax as a result of audits of liability periods prior
10 to January 1, 1990, shall be paid into the Local Government Tax
11 Fund, for distribution as provided by this Section prior to
12 the enactment of Public Act 85-1135. All receipts of municipal
13 tax as a result of an assessment not arising from an audit, for
14 liability periods prior to January 1, 1990, shall be paid into
15 the Local Government Tax Fund for distribution before July 1,
16 1990, as provided by this Section prior to the enactment of
17 Public Act 85-1135, and on and after July 1, 1990, all such
18 receipts shall be distributed as provided in Section 6z-18 of
19 the State Finance Act.

20 As used in this Section, "municipal" and "municipality"
21 means a city, village or incorporated town, including an
22 incorporated town which has superseded a civil township.

23 This Section shall be known and may be cited as the Home
24 Rule Municipal Service Occupation Tax Act.

25 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
26 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

1 (65 ILCS 5/8-11-23)

2 Sec. 8-11-23. Municipal Cannabis Retailers' Occupation Tax
3 Law.

4 (a) This Section may be referred to as the Municipal
5 Cannabis Retailers' Occupation Tax Law. The corporate
6 authorities of any municipality may, by ordinance, impose a
7 tax upon all persons engaged in the business of selling
8 cannabis, other than cannabis purchased under the
9 Compassionate Use of Medical Cannabis Program Act, at retail

10 in the municipality on the gross receipts from these sales
11 made in the course of that business. If imposed, the tax may
12 not exceed 3% of the gross receipts from these sales and shall
13 only be imposed in 1/4% increments. The tax imposed under this
14 Section and all civil penalties that may be assessed as an
15 incident of the tax shall be collected and enforced by the
16 Department of Revenue. The Department of Revenue shall have
17 full power to administer and enforce this Section; to collect
18 all taxes and penalties due hereunder; to dispose of taxes and
19 penalties so collected in the manner hereinafter provided; and
20 to determine all rights to credit memoranda arising on account
21 of the erroneous payment of tax or penalty under this Section.
22 In the administration of and compliance with this Section, the
23 Department and persons who are subject to this Section shall
24 have the same rights, remedies, privileges, immunities, powers
25 and duties, and be subject to the same conditions,

1 restrictions, limitations, penalties and definitions of terms,
2 and employ the same modes of procedure, as are prescribed in
3 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
4 (in respect to all provisions therein other than the State
5 rate of tax), 2a, 2b, 2c, 2i, 3 (except as to the disposition
6 of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e,
7 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11,
8 11a, 12, and 13 of the Retailers' Occupation Tax Act and
9 Section 3-7 of the Uniform Penalty and Interest Act, as fully
10 as if those provisions were set forth herein.

11 (b) Persons subject to any tax imposed under the authority
12 granted in this Section may reimburse themselves for their
13 seller's tax liability hereunder by separately stating that
14 tax as an additional charge, which charge may be stated in
15 combination, in a single amount, with any State tax that
16 sellers are required to collect.

17 (c) Whenever the Department of Revenue determines that a
18 refund should be made under this Section to a claimant instead
19 of issuing a credit memorandum, the Department of Revenue
20 shall notify the State Comptroller, who shall cause the order
21 to be drawn for the amount specified and to the person named in
22 the notification from the Department of Revenue.

23 (d) Except as otherwise provided in this Section, the
24 Department of Revenue shall immediately pay over to the State
25 Treasurer, ex officio, as trustee, all taxes and penalties
26 collected hereunder for deposit into the Local Cannabis

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1 Retailers' Occupation Tax Trust Fund.

2 As soon as possible after the first day of each month,
3 beginning July 1, 2026, upon certification of the Department
4 of Revenue, the Comptroller shall order transferred, and the
5 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
6 local sales tax increment, as defined in the Statewide
7 Innovation Development and Economy Act, collected under this
8 Section during the second preceding calendar month for sales
9 within a STAR bond district.

10 (e) After the monthly transfer to the STAR Bonds Revenue
11 Fund, on or before the 25th day of each calendar month, the
12 Department of Revenue shall prepare and certify to the
13 Comptroller the amount of money to be disbursed from the Local
14 Cannabis Retailers' Occupation Tax Trust Fund to
15 municipalities from which retailers have paid taxes or
16 penalties under this Section during the second preceding
17 calendar month. The amount to be paid to each municipality
18 shall be the amount (not including credit memoranda) collected
19 under this Section from sales made in the municipality during
20 the second preceding calendar month, plus an amount the
21 Department of Revenue determines is necessary to offset any
22 amounts that were erroneously paid to a different taxing body,
23 and not including an amount equal to the amount of refunds made
24 during the second preceding calendar month by the Department
25 on behalf of such municipality, and not including any amount
26 that the Department determines is necessary to offset any

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1 amounts that were payable to a different taxing body but were
2 erroneously paid to the municipality, and not including any

3 amounts that are transferred to the STAR Bonds Revenue Fund,
4 less 1.5% of the remainder, which the Department shall
5 transfer into the Tax Compliance and Administration Fund. The
6 Department, at the time of each monthly disbursement to the
7 municipalities, shall prepare and certify to the State
8 Comptroller the amount to be transferred into the Tax
9 Compliance and Administration Fund under this Section. Within
10 10 days after receipt by the Comptroller of the disbursement
11 certification to the municipalities and the Tax Compliance and
12 Administration Fund provided for in this Section to be given
13 to the Comptroller by the Department, the Comptroller shall
14 cause the orders to be drawn for the respective amounts in
15 accordance with the directions contained in the certification.

16 (f) An ordinance or resolution imposing or discontinuing a
17 tax under this Section or effecting a change in the rate
18 thereof that is adopted on or after June 25, 2019 (the
19 effective date of Public Act 101-27) and for which a certified
20 copy is filed with the Department on or before April 1, 2020
21 shall be administered and enforced by the Department beginning
22 on July 1, 2020. For ordinances filed with the Department
23 after April 1, 2020, an ordinance or resolution imposing or
24 discontinuing a tax under this Section or effecting a change
25 in the rate thereof shall either (i) be adopted and a certified
26 copy thereof filed with the Department on or before the first

1 day of April, whereupon the Department shall proceed to
2 administer and enforce this Section as of the first day of July
3 next following the adoption and filing; or (ii) be adopted and
4 a certified copy thereof filed with the Department on or
5 before the first day of October, whereupon the Department
6 shall proceed to administer and enforce this Section as of the
7 first day of January next following the adoption and filing.
8 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

9 (65 ILCS 5/8-11-24)

10 Sec. 8-11-24. Municipal Grocery Occupation Tax Law.

11 (a) The corporate authorities of any municipality may, by
12 ordinance or resolution that takes effect on or after January
13 1, 2026, impose a tax upon all persons engaged in the business

14 of selling groceries at retail in the municipality on the
15 gross receipts from those sales made in the course of that
16 business. If imposed, the tax shall be at the rate of 1% of the
17 gross receipts from these sales.

18 The tax imposed by a municipality under this subsection
19 and all civil penalties that may be assessed as an incident of
20 the tax shall be collected and enforced by the Department. The
21 certificate of registration that is issued by the Department
22 to a retailer under the Retailers' Occupation Tax Act shall
23 permit the retailer to engage in a business that is taxable
24 under any ordinance or resolution enacted under this
25 subsection without registering separately with the Department

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1 under that ordinance or resolution or under this subsection.

2 The Department shall have full power to administer and
3 enforce this subsection; to collect all taxes and penalties
4 due under this subsection; to dispose of taxes and penalties
5 so collected in the manner provided in this Section and under
6 rules adopted by the Department; and to determine all rights
7 to credit memoranda arising on account of the erroneous
8 payment of tax or penalty under this subsection.

9 In the administration of, and compliance with, this
10 subsection, the Department and persons who are subject to this
11 subsection shall have the same rights, remedies, privileges,
12 immunities, powers, and duties, and be subject to the same
13 conditions, restrictions, limitations, penalties and
14 definitions of terms, and employ the same modes of procedure,
15 as are prescribed in Sections 1, 2 through 2-65 (in respect to
16 all provisions therein other than the State rate of tax and
17 other than the exemption for food for human consumption that
18 is to be consumed off the premises where it is sold (other than
19 alcoholic beverages, food consisting of or infused with adult
20 use cannabis, soft drinks, candy, and food that has been
21 prepared for immediate consumption), which is authorized to be
22 taxed as provided in this subsection), 2c, 3 (except as to the
23 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
24 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11,
25 11a, 12 and 13 of the Retailers' Occupation Tax Act and all of
26 the Uniform Penalty and Interest Act, as fully as if those

1 provisions were set forth in this Section.

2 Persons subject to any tax imposed under the authority
3 granted in this subsection may reimburse themselves for their
4 seller's tax liability hereunder by separately stating that
5 tax as an additional charge, which charge may be stated in
6 combination, in a single amount, with State tax which sellers
7 are required to collect under the Use Tax Act, pursuant to such
8 bracket schedules as the Department may prescribe.

9 (b) If a tax has been imposed under subsection (a), then a
10 service occupation tax must also be imposed at the same rate
11 upon all persons engaged, in the municipality, in the business
12 of making sales of service, who, as an incident to making those
13 sales of service, transfer groceries, as defined in this
14 Section, as an incident to a sale of service.

15 The tax imposed under this subsection and all civil
16 penalties that may be assessed as an incident thereof shall be
17 collected and enforced by the Department. The certificate of
18 registration that is issued by the Department to a retailer
19 under the Retailers' Occupation Tax Act or the Service
20 Occupation Tax Act shall permit the registrant to engage in a
21 business that is taxable under any ordinance or resolution
22 enacted pursuant to this subsection without registering
23 separately with the Department under the ordinance or
24 resolution or under this subsection.

25 The Department shall have full power to administer and
26 enforce this subsection, to collect all taxes and penalties

1 due under this subsection, to dispose of taxes and penalties
2 so collected in the manner provided in this Section and under
3 rules adopted by the Department, and to determine all rights
4 to credit memoranda arising on account of the erroneous
5 payment of a tax or penalty under this subsection.

6 In the administration of and compliance with this

7 subsection, the Department and persons who are subject to this
8 subsection shall have the same rights, remedies, privileges,
9 immunities, powers and duties, and be subject to the same
10 conditions, restrictions, limitations, penalties and
11 definitions of terms, and employ the same modes of procedure
12 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
13 to all provisions contained in those Sections other than (i)
14 the State rate of tax; (ii) the exemption for food for human
15 consumption that is to be consumed off the premises where it is
16 sold (other than alcoholic beverages, food consisting of or
17 infused with adult use cannabis, soft drinks, candy, and food
18 that has been prepared for immediate consumption), which is
19 authorized to be taxed as provided in this subsection; and
20 (iii) the exemption for food prepared for immediate
21 consumption and transferred incident to a sale of service
22 subject to the Service Occupation Tax Act or the Service Use
23 Tax Act by an entity licensed under the Hospital Licensing
24 Act, the Nursing Home Care Act, the Assisted Living and Shared
25 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
26 Specialized Mental Health Rehabilitation Act of 2013, or the

1 Child Care Act of 1969, or an entity that holds a permit issued
2 pursuant to the Life Care Facilities Act, which is authorized
3 to be taxed as provided in this subsection), 4, 5, 7, 8, 9
4 (except as to the disposition of taxes and penalties
5 collected), 10, 11, 12, 13, 15, 16, 17, 18, 19, and 20 of the
6 Service Occupation Tax Act and all provisions of the Uniform
7 Penalty and Interest Act, as fully as if those provisions were
8 set forth in this Section.

9 Persons subject to any tax imposed under the authority
10 granted in this subsection may reimburse themselves for their
11 serviceman's tax liability by separately stating the tax as an
12 additional charge, which may be stated in combination, in a
13 single amount, with State tax that servicemen are authorized
14 to collect under the Service Use Tax Act, pursuant to any
15 bracketed schedules set forth by the Department.

16 (c) The Department shall immediately pay over to the State
17 Treasurer, ex officio, as trustee, all taxes and penalties
18 collected under this Section. Those taxes and penalties shall

19 be deposited into the Municipal Grocery Tax Trust Fund, a
20 trust fund created in the State treasury. Except as otherwise
21 provided in this Section, moneys in the Municipal Grocery Tax
22 Trust Fund shall be used to make payments to municipalities
23 and for the payment of refunds under this Section.

24 Moneys deposited into the Municipal Grocery Tax Trust Fund
25 under this Section are not subject to appropriation and shall
26 be used as provided in this Section. All deposits into the

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1 Municipal Grocery Tax Trust Fund shall be held in the
2 Municipal Grocery Tax Trust Fund by the State Treasurer, ex
3 officio, as trustee separate and apart from all public moneys
4 or funds of this State.

5 Whenever the Department determines that a refund should be
6 made under this Section to a claimant instead of issuing a
7 credit memorandum, the Department shall notify the State
8 Comptroller, who shall cause the order to be drawn for the
9 amount specified and to the person named in the notification
10 from the Department. The refund shall be paid by the State
11 Treasurer out of the Municipal Grocery Tax Trust Fund.

12 (d) As soon as possible after the first day of each month,
13 upon certification of the Department, the Comptroller shall
14 order transferred, and the Treasurer shall transfer, to the
15 STAR Bonds Revenue Fund the local sales tax increment, if any,
16 as defined in the Innovation Development and Economy Act,
17 collected under this Section.

18 As soon as possible after the first day of each month, upon
19 certification of the Department of Revenue, the Comptroller
20 shall order transferred, and the Treasurer shall transfer, to
21 the STAR Bonds Revenue Fund the local sales tax increment, as
22 defined in the Statewide Innovation Development and Economy
23 Act, collected under this Section during the second preceding
24 calendar month for sales within a STAR bond district.

25 After the monthly transfers ~~transfer~~ to the STAR Bonds
26 Revenue Fund, if any, on or before the 25th day of each

1 calendar month, the Department shall prepare and certify to
2 the Comptroller the disbursement of stated sums of money to
3 named municipalities, the municipalities to be those from
4 which retailers have paid taxes or penalties under this
5 Section to the Department during the second preceding calendar
6 month. The amount to be paid to each municipality shall be the
7 amount (not including credit memoranda) collected under this
8 Section during the second preceding calendar month by the
9 Department plus an amount the Department determines is
10 necessary to offset any amounts that were erroneously paid to
11 a different taxing body, and not including an amount equal to
12 the amount of refunds made during the second preceding
13 calendar month by the Department on behalf of such
14 municipality, and not including any amount that the Department
15 determines is necessary to offset any amounts that were
16 payable to a different taxing body but were erroneously paid
17 to the municipality, and not including any amounts that are
18 transferred to the STAR Bonds Revenue Fund. Within 10 days
19 after receipt by the Comptroller of the disbursement
20 certification to the municipalities provided for in this
21 Section to be given to the Comptroller by the Department, the
22 Comptroller shall cause the orders to be drawn for the amounts
23 in accordance with the directions contained in the
24 certification.

25 (e) Nothing in this Section shall be construed to
26 authorize a municipality to impose a tax upon the privilege of

1 engaging in any business which under the Constitution of the
2 United States may not be made the subject of taxation by this
3 State.

4 (f) Except as otherwise provided in this subsection, an
5 ordinance or resolution imposing or discontinuing the tax
6 hereunder or effecting a change in the rate thereof shall
7 either (i) be adopted and a certified copy thereof filed with
8 the Department on or before the first day of April, whereupon
9 the Department shall proceed to administer and enforce this
10 Section as of the first day of July next following the adoption

11 and filing or (ii) be adopted and a certified copy thereof
12 filed with the Department on or before the first day of
13 October, whereupon the Department shall proceed to administer
14 and enforce this Section as of the first day of January next
15 following the adoption and filing.

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

22 (h) As used in this Section, "Department" means the
23 Department of Revenue.

24 For purposes of the tax authorized to be imposed under
25 subsection (a), "groceries" has the same meaning as "food for
26 human consumption that is to be consumed off the premises

1 where it is sold (other than alcoholic beverages, food
2 consisting of or infused with adult use cannabis, soft drinks,
3 candy, and food that has been prepared for immediate
4 consumption)", as further defined in Section 2-10 of the
5 Retailers' Occupation Tax Act.

6 For purposes of the tax authorized to be imposed under
7 subsection (b), "groceries" has the same meaning as "food for
8 human consumption that is to be consumed off the premises
9 where it is sold (other than alcoholic beverages, food
10 consisting of or infused with adult use cannabis, soft drinks,
11 candy, and food that has been prepared for immediate
12 consumption)", as further defined in Section 3-10 of the
13 Service Occupation Tax Act. For purposes of the tax authorized
14 to be imposed under subsection (b), "groceries" also means
15 food prepared for immediate consumption and transferred
16 incident to a sale of service subject to the Service
17 Occupation Tax Act or the Service Use Tax Act by an entity
18 licensed under the Hospital Licensing Act, the Nursing Home
19 Care Act, the Assisted Living and Shared Housing Act, the
20 ID/DD Community Care Act, the MC/DD Act, the Specialized
21 Mental Health Rehabilitation Act of 2013, or the Child Care
22 Act of 1969, or an entity that holds a permit issued pursuant

23 to the Life Care Facilities Act.
24 (i) This Section may be referred to as the Municipal
25 Grocery Occupation Tax Law.
26 (Source: P.A. 103-781, eff. 8-5-24; 104-6, eff. 1-1-26.)

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1 (65 ILCS 5/11-74.3-6)
2 Sec. 11-74.3-6. Business district revenue and obligations;
3 business district tax allocation fund.
4 (a) If the corporate authorities of a municipality have
5 approved a business district plan, have designated a business
6 district, and have elected to impose a tax by ordinance
7 pursuant to subsection (10) or (11) of Section 11-74.3-3, then
8 each year after the date of the approval of the ordinance but
9 terminating upon the date all business district project costs
10 and all obligations paying or reimbursing business district
11 project costs, if any, have been paid, but in no event later
12 than the dissolution date, all amounts generated by the
13 retailers' occupation tax and service occupation tax shall be
14 collected and the tax shall be enforced by the Department of
15 Revenue in the same manner as all retailers' occupation taxes
16 and service occupation taxes imposed in the municipality
17 imposing the tax and all amounts generated by the hotel
18 operators' occupation tax shall be collected and the tax shall
19 be enforced by the municipality in the same manner as all hotel
20 operators' occupation taxes imposed in the municipality
21 imposing the tax. The corporate authorities of the
22 municipality shall deposit the proceeds of the taxes imposed
23 under subsections (10) and (11) of Section 11-74.3-3 into a
24 special fund of the municipality called the "[Name of]
25 Business District Tax Allocation Fund" for the purpose of

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1 paying or reimbursing business district project costs and
2 obligations incurred in the payment of those costs.

3 (b) The corporate authorities of a municipality that has
4 designated a business district under this Law may, by
5 ordinance, impose a Business District Retailers' Occupation
6 Tax upon all persons engaged in the business of selling
7 tangible personal property, other than an item of tangible
8 personal property titled or registered with an agency of this
9 State's government, at retail in the business district at a
10 rate not to exceed 1% of the gross receipts from the sales made
11 in the course of such business, to be imposed only in 0.25%
12 increments. The tax may not be imposed on tangible personal
13 property taxed at the rate of 1% under the Retailers'
14 Occupation Tax Act (or at the 0% rate imposed under this
15 amendatory Act of the 102nd General Assembly). Beginning
16 December 1, 2019 and through December 31, 2020, this tax is not
17 imposed on sales of aviation fuel unless the tax revenue is
18 expended for airport-related purposes. If the District does
19 not have an airport-related purpose to which it dedicates
20 aviation fuel tax revenue, then aviation fuel is excluded from
21 the tax. Each municipality must comply with the certification
22 requirements for airport-related purposes under Section 2-22
23 of the Retailers' Occupation Tax Act. For purposes of this
24 Section, "airport-related purposes" has the meaning ascribed
25 in Section 6z-20.2 of the State Finance Act. Beginning January
26 1, 2021, this tax is not imposed on sales of aviation fuel for

1 so long as the revenue use requirements of 49 U.S.C. 47107(b)
2 and 49 U.S.C. 47133 are binding on the District.
3 The tax imposed under this subsection and all civil
4 penalties that may be assessed as an incident thereof shall be
5 collected and enforced by the Department of Revenue. The
6 certificate of registration that is issued by the Department
7 to a retailer under the Retailers' Occupation Tax Act shall
8 permit the retailer to engage in a business that is taxable
9 under any ordinance or resolution enacted pursuant to this
10 subsection without registering separately with the Department
11 under such ordinance or resolution or under this subsection.
12 The Department of Revenue shall have full power to administer
13 and enforce this subsection; to collect all taxes and
14 penalties due under this subsection in the manner hereinafter

15 provided; and to determine all rights to credit memoranda
16 arising on account of the erroneous payment of tax or penalty
17 under this subsection. In the administration of, and
18 compliance with, this subsection, the Department and persons
19 who are subject to this subsection shall have the same rights,
20 remedies, privileges, immunities, powers and duties, and be
21 subject to the same conditions, restrictions, limitations,
22 penalties, exclusions, exemptions, and definitions of terms
23 and employ the same modes of procedure, as are prescribed in
24 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all
25 provisions therein other than the State rate of tax), 2c
26 through 2h, 3 (except as to the disposition of taxes and

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1 penalties collected, and except that the retailer's discount
2 is not allowed for taxes paid on aviation fuel that are subject
3 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
4 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6,
5 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers'
6 Occupation Tax Act and all provisions of the Uniform Penalty
7 and Interest Act, as fully as if those provisions were set
8 forth herein.

9 Persons subject to any tax imposed under this subsection
10 may reimburse themselves for their seller's tax liability
11 under this subsection by separately stating the tax as an
12 additional charge, which charge may be stated in combination,
13 in a single amount, with State taxes that sellers are required
14 to collect under the Use Tax Act, in accordance with such
15 bracket schedules as the Department may prescribe.

16 Whenever the Department determines that a refund should be
17 made under this subsection to a claimant instead of issuing a
18 credit memorandum, the Department shall notify the State
19 Comptroller, who shall cause the order to be drawn for the
20 amount specified and to the person named in the notification
21 from the Department. The refund shall be paid by the State
22 Treasurer out of the business district retailers' occupation
23 tax fund or the Local Government Aviation Trust Fund, as
24 appropriate.

25 Except as otherwise provided in this paragraph, the
26 Department shall immediately pay over to the State Treasurer,

1 ex officio, as trustee, all taxes, penalties, and interest
2 collected under this subsection for deposit into the business
3 district retailers' occupation tax fund. Taxes and penalties
4 collected on aviation fuel sold on or after December 1, 2019,
5 shall be immediately paid over by the Department to the State
6 Treasurer, ex officio, as trustee, for deposit into the Local
7 Government Aviation Trust Fund. The Department shall only pay
8 moneys into the Local Government Aviation Trust Fund under
9 this Section for so long as the revenue use requirements of 49
10 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
11 District.

12 As soon as possible after the first day of each month,
13 beginning January 1, 2011, upon certification of the
14 Department of Revenue, the Comptroller shall order
15 transferred, and the Treasurer shall transfer, to the STAR
16 Bonds Revenue Fund the local sales tax increment, as defined
17 in the Innovation Development and Economy Act, collected under
18 this subsection during the second preceding calendar month for
19 sales within a STAR bond district.

20 As soon as possible after the first day of each month,
21 beginning July 1, 2026, upon certification of the Department
22 of Revenue, the Comptroller shall order transferred, and the
23 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
24 local sales tax increment, as defined in the Statewide
25 Innovation Development and Economy Act, collected under this
26 Section during the second preceding calendar month for sales

1 within a STAR bond district.

2 After the monthly ~~transfers~~ transfer to the STAR Bonds
3 Revenue Fund, on or before the 25th day of each calendar month,
4 the Department shall prepare and certify to the Comptroller
5 the disbursement of stated sums of money to named
6 municipalities from the business district retailers'

7 occupation tax fund, the municipalities to be those from which
8 retailers have paid taxes or penalties under this subsection
9 to the Department during the second preceding calendar month.
10 The amount to be paid to each municipality shall be the amount
11 (not including credit memoranda and not including taxes and
12 penalties collected on aviation fuel sold on or after December
13 1, 2019) collected under this subsection during the second
14 preceding calendar month by the Department plus an amount the
15 Department determines is necessary to offset any amounts that
16 were erroneously paid to a different taxing body, and not
17 including an amount equal to the amount of refunds made during
18 the second preceding calendar month by the Department, less 2%
19 of that amount (except the amount collected on aviation fuel
20 sold on or after December 1, 2019), which shall be deposited
21 into the Tax Compliance and Administration Fund and shall be
22 used by the Department, subject to appropriation, to cover the
23 costs of the Department in administering and enforcing the
24 provisions of this subsection, on behalf of such municipality,
25 and not including any amount that the Department determines is
26 necessary to offset any amounts that were payable to a

1 different taxing body but were erroneously paid to the
2 municipality, and not including any amounts that are
3 transferred to the STAR Bonds Revenue Fund. Within 10 days
4 after receipt by the Comptroller of the disbursement
5 certification to the municipalities provided for in this
6 subsection to be given to the Comptroller by the Department,
7 the Comptroller shall cause the orders to be drawn for the
8 respective amounts in accordance with the directions contained
9 in the certification. The proceeds of the tax paid to
10 municipalities under this subsection shall be deposited into
11 the Business District Tax Allocation Fund by the municipality.
12 An ordinance imposing or discontinuing the tax under this
13 subsection or effecting a change in the rate thereof shall
14 either (i) be adopted and a certified copy thereof filed with
15 the Department on or before the first day of April, whereupon
16 the Department, if all other requirements of this subsection
17 are met, shall proceed to administer and enforce this
18 subsection as of the first day of July next following the

19 adoption and filing; or (ii) be adopted and a certified copy
20 thereof filed with the Department on or before the first day of
21 October, whereupon, if all other requirements of this
22 subsection are met, the Department shall proceed to administer
23 and enforce this subsection as of the first day of January next
24 following the adoption and filing.

25 The Department of Revenue shall not administer or enforce
26 an ordinance imposing, discontinuing, or changing the rate of

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1 the tax under this subsection, until the municipality also
2 provides, in the manner prescribed by the Department, the
3 boundaries of the business district and each address in the
4 business district in such a way that the Department can
5 determine by its address whether a business is located in the
6 business district. The municipality must provide this boundary
7 and address information to the Department on or before April 1
8 for administration and enforcement of the tax under this
9 subsection by the Department beginning on the following July 1
10 and on or before October 1 for administration and enforcement
11 of the tax under this subsection by the Department beginning
12 on the following January 1. The Department of Revenue shall
13 not administer or enforce any change made to the boundaries of
14 a business district or address change, addition, or deletion
15 until the municipality reports the boundary change or address
16 change, addition, or deletion to the Department in the manner
17 prescribed by the Department. The municipality must provide
18 this boundary change information or address change, addition,
19 or deletion to the Department on or before April 1 for
20 administration and enforcement by the Department of the change
21 beginning on the following July 1 and on or before October 1
22 for administration and enforcement by the Department of the
23 change beginning on the following January 1. The retailers in
24 the business district shall be responsible for charging the
25 tax imposed under this subsection. If a retailer is
26 incorrectly included or excluded from the list of those

1 required to collect the tax under this subsection, both the
2 Department of Revenue and the retailer shall be held harmless
3 if they reasonably relied on information provided by the
4 municipality.

5 A municipality that imposes the tax under this subsection
6 must submit to the Department of Revenue any other information
7 as the Department may require for the administration and
8 enforcement of the tax.

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

15 Nothing in this subsection shall be construed to authorize
16 the municipality to impose a tax upon the privilege of
17 engaging in any business which under the Constitution of the
18 United States may not be made the subject of taxation by this
19 State.

20 If a tax is imposed under this subsection (b), a tax shall
21 also be imposed under subsection (c) of this Section.

22 (c) If a tax has been imposed under subsection (b), a
23 Business District Service Occupation Tax shall also be imposed
24 upon all persons engaged, in the business district, in the
25 business of making sales of service, who, as an incident to
26 making those sales of service, transfer tangible personal

1 property within the business district, either in the form of
2 tangible personal property or in the form of real estate as an
3 incident to a sale of service. The tax shall be imposed at the
4 same rate as the tax imposed in subsection (b) and shall not
5 exceed 1% of the selling price of tangible personal property
6 so transferred within the business district, to be imposed
7 only in 0.25% increments. The tax may not be imposed on
8 tangible personal property taxed at the 1% rate under the
9 Service Occupation Tax Act (or at the 0% rate imposed under
10 this amendatory Act of the 102nd General Assembly). Beginning

11 December 1, 2019, this tax is not imposed on sales of aviation
12 fuel unless the tax revenue is expended for airport-related
13 purposes. If the District does not have an airport-related
14 purpose to which it dedicates aviation fuel tax revenue, then
15 aviation fuel is excluded from the tax. Each municipality must
16 comply with the certification requirements for airport-related
17 purposes under Section 2-22 of the Retailers' Occupation Tax
18 Act. For purposes of this Act, "airport-related purposes" has
19 the meaning ascribed in Section 6z-20.2 of the State Finance
20 Act. Beginning January 1, 2021, this tax is not imposed on
21 sales of aviation fuel for so long as the revenue use
22 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
23 binding on the District.

24 The tax imposed under this subsection and all civil
25 penalties that may be assessed as an incident thereof shall be
26 collected and enforced by the Department of Revenue. The

1 certificate of registration which is issued by the Department
2 to a retailer under the Retailers' Occupation Tax Act or under
3 the Service Occupation Tax Act shall permit such registrant to
4 engage in a business which is taxable under any ordinance or
5 resolution enacted pursuant to this subsection without
6 registering separately with the Department under such
7 ordinance or resolution or under this subsection. The
8 Department of Revenue shall have full power to administer and
9 enforce this subsection; to collect all taxes and penalties
10 due under this subsection; to dispose of taxes and penalties
11 so collected in the manner hereinafter provided; and to
12 determine all rights to credit memoranda arising on account of
13 the erroneous payment of tax or penalty under this subsection.
14 In the administration of, and compliance with this subsection,
15 the Department and persons who are subject to this subsection
16 shall have the same rights, remedies, privileges, immunities,
17 powers and duties, and be subject to the same conditions,
18 restrictions, limitations, penalties, exclusions, exemptions,
19 and definitions of terms and employ the same modes of
20 procedure as are prescribed in Sections 2, 2a through 2d, 3
21 through 3-50 (in respect to all provisions therein other than
22 the State rate of tax), 4 (except that the reference to the

23 State shall be to the business district), 5, 7, 8 (except that
24 the jurisdiction to which the tax shall be a debt to the extent
25 indicated in that Section 8 shall be the municipality), 9
26 (except as to the disposition of taxes and penalties

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1 collected, and except that the returned merchandise credit for
2 this tax may not be taken against any State tax, and except
3 that the retailer's discount is not allowed for taxes paid on
4 aviation fuel that are subject to the revenue use requirements
5 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except
6 the reference therein to Section 2b of the Retailers'
7 Occupation Tax Act), 13 (except that any reference to the
8 State shall mean the municipality), the first paragraph of
9 Section 15, and Sections 16, 17, 18, 19 and 20 of the Service
10 Occupation Tax Act and all provisions of the Uniform Penalty
11 and Interest Act, as fully as if those provisions were set
12 forth herein.

13 Persons subject to any tax imposed under the authority
14 granted in this subsection may reimburse themselves for their
15 serviceman's tax liability hereunder by separately stating the
16 tax as an additional charge, which charge may be stated in
17 combination, in a single amount, with State tax that
18 servicemen are authorized to collect under the Service Use Tax
19 Act, in accordance with such bracket schedules as the
20 Department may prescribe.

21 Whenever the Department determines that a refund should be
22 made under this subsection to a claimant instead of issuing
23 credit memorandum, the Department shall notify the State
24 Comptroller, who shall cause the order to be drawn for the
25 amount specified, and to the person named, in such
26 notification from the Department. Such refund shall be paid by

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1 the State Treasurer out of the business district retailers'
2 occupation tax fund or the Local Government Aviation Trust

3 Fund, as appropriate.

4 Except as otherwise provided in this paragraph, the
5 Department shall forthwith pay over to the State Treasurer,
6 ex-officio, as trustee, all taxes, penalties, and interest
7 collected under this subsection for deposit into the business
8 district retailers' occupation tax fund. Taxes and penalties
9 collected on aviation fuel sold on or after December 1, 2019,
10 shall be immediately paid over by the Department to the State
11 Treasurer, ex officio, as trustee, for deposit into the Local
12 Government Aviation Trust Fund. The Department shall only pay
13 moneys into the Local Government Aviation Trust Fund under
14 this Section for so long as the revenue use requirements of 49
15 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
16 District.

17 As soon as possible after the first day of each month,
18 beginning January 1, 2011, upon certification of the
19 Department of Revenue, the Comptroller shall order
20 transferred, and the Treasurer shall transfer, to the STAR
21 Bonds Revenue Fund the local sales tax increment, as defined
22 in the Innovation Development and Economy Act, collected under
23 this subsection during the second preceding calendar month for
24 sales within a STAR bond district.

25 As soon as possible after the first day of each month,
26 beginning July 1, 2026, upon certification of the Department

1 of Revenue, the Comptroller shall order transferred, and the
2 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
3 local sales tax increment, as defined in the Statewide
4 Innovation Development and Economy Act, collected under this
5 Section during the second preceding calendar month for sales
6 within a STAR bond district.

7 After the monthly ~~transfers transfer~~ to the STAR Bonds
8 Revenue Fund, on or before the 25th day of each calendar month,
9 the Department shall prepare and certify to the Comptroller
10 the disbursement of stated sums of money to named
11 municipalities from the business district retailers'
12 occupation tax fund, the municipalities to be those from which
13 suppliers and servicemen have paid taxes or penalties under
14 this subsection to the Department during the second preceding

15 calendar month. The amount to be paid to each municipality
16 shall be the amount (not including credit memoranda and not
17 including taxes and penalties collected on aviation fuel sold
18 on or after December 1, 2019) collected under this subsection
19 during the second preceding calendar month by the Department,
20 less 2% of that amount (except the amount collected on
21 aviation fuel sold on or after December 1, 2019), which shall
22 be deposited into the Tax Compliance and Administration Fund
23 and shall be used by the Department, subject to appropriation,
24 to cover the costs of the Department in administering and
25 enforcing the provisions of this subsection, and not including
26 an amount equal to the amount of refunds made during the second

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1 preceding calendar month by the Department on behalf of such
2 municipality, and not including any amounts that are
3 transferred to the STAR Bonds Revenue Fund. Within 10 days
4 after receipt, by the Comptroller, of the disbursement
5 certification to the municipalities, provided for in this
6 subsection to be given to the Comptroller by the Department,
7 the Comptroller shall cause the orders to be drawn for the
8 respective amounts in accordance with the directions contained
9 in such certification. The proceeds of the tax paid to
10 municipalities under this subsection shall be deposited into
11 the Business District Tax Allocation Fund by the municipality.

12 An ordinance imposing or discontinuing the tax under this
13 subsection or effecting a change in the rate thereof shall
14 either (i) be adopted and a certified copy thereof filed with
15 the Department on or before the first day of April, whereupon
16 the Department, if all other requirements of this subsection
17 are met, shall proceed to administer and enforce this
18 subsection as of the first day of July next following the
19 adoption and filing; or (ii) be adopted and a certified copy
20 thereof filed with the Department on or before the first day of
21 October, whereupon, if all other conditions of this subsection
22 are met, the Department shall proceed to administer and
23 enforce this subsection as of the first day of January next
24 following the adoption and filing.

25 The Department of Revenue shall not administer or enforce
26 an ordinance imposing, discontinuing, or changing the rate of

1 the tax under this subsection, until the municipality also
2 provides, in the manner prescribed by the Department, the
3 boundaries of the business district in such a way that the
4 Department can determine by its address whether a business is
5 located in the business district. The municipality must
6 provide this boundary and address information to the
7 Department on or before April 1 for administration and
8 enforcement of the tax under this subsection by the Department
9 beginning on the following July 1 and on or before October 1
10 for administration and enforcement of the tax under this
11 subsection by the Department beginning on the following
12 January 1. The Department of Revenue shall not administer or
13 enforce any change made to the boundaries of a business
14 district or address change, addition, or deletion until the
15 municipality reports the boundary change or address change,
16 addition, or deletion to the Department in the manner
17 prescribed by the Department. The municipality must provide
18 this boundary change information or address change, addition,
19 or deletion to the Department on or before April 1 for
20 administration and enforcement by the Department of the change
21 beginning on the following July 1 and on or before October 1
22 for administration and enforcement by the Department of the
23 change beginning on the following January 1. The retailers in
24 the business district shall be responsible for charging the
25 tax imposed under this subsection. If a retailer is
26 incorrectly included or excluded from the list of those

1 required to collect the tax under this subsection, both the
2 Department of Revenue and the retailer shall be held harmless
3 if they reasonably relied on information provided by the
4 municipality.

5 A municipality that imposes the tax under this subsection
6 must submit to the Department of Revenue any other information

7 as the Department may require for the administration and
8 enforcement of the tax.

9 Nothing in this subsection shall be construed to authorize
10 the municipality to impose a tax upon the privilege of
11 engaging in any business which under the Constitution of the
12 United States may not be made the subject of taxation by the
13 State.

14 If a tax is imposed under this subsection (c), a tax shall
15 also be imposed under subsection (b) of this Section.

16 (c-5) If, on January 1, 2025, a unit of local government
17 has in effect a tax under this Section, or if, after January 1,
18 2025, a unit of local government imposes a tax under this
19 Section, then that tax applies to leases of tangible personal
20 property in effect, entered into, or renewed on or after that
21 date in the same manner as the tax under this Section and in
22 accordance with the changes made by this amendatory Act of the
23 103rd General Assembly.

24 (d) By ordinance, a municipality that has designated a
25 business district under this Law may impose an occupation tax
26 upon all persons engaged in the business district in the

1 business of renting, leasing, or letting rooms in a hotel, as
2 defined in the Hotel Operators' Occupation Tax Act, at a rate
3 not to exceed 1% of the gross rental receipts from the renting,
4 leasing, or letting of hotel rooms within the business
5 district, to be imposed only in 0.25% increments, excluding,
6 however, from gross rental receipts the proceeds of renting,
7 leasing, or letting to permanent residents of a hotel, as
8 defined in the Hotel Operators' Occupation Tax Act, and
9 proceeds from the tax imposed under subsection (c) of Section
10 13 of the Metropolitan Pier and Exposition Authority Act.

11 The tax imposed by the municipality under this subsection
12 and all civil penalties that may be assessed as an incident to
13 that tax shall be collected and enforced by the municipality
14 imposing the tax. The municipality shall have full power to
15 administer and enforce this subsection, to collect all taxes
16 and penalties due under this subsection, to dispose of taxes
17 and penalties so collected in the manner provided in this
18 subsection, and to determine all rights to credit memoranda

19 arising on account of the erroneous payment of tax or penalty
20 under this subsection. In the administration of and compliance
21 with this subsection, the municipality and persons who are
22 subject to this subsection shall have the same rights,
23 remedies, privileges, immunities, powers, and duties, shall be
24 subject to the same conditions, restrictions, limitations,
25 penalties, and definitions of terms, and shall employ the same
26 modes of procedure as are employed with respect to a tax

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1 adopted by the municipality under Section 8-3-14 of this Code.

2 Persons subject to any tax imposed under the authority
3 granted in this subsection may reimburse themselves for their
4 tax liability for that tax by separately stating that tax as an
5 additional charge, which charge may be stated in combination,
6 in a single amount, with State taxes imposed under the Hotel
7 Operators' Occupation Tax Act, and with any other tax.

8 Nothing in this subsection shall be construed to authorize
9 a municipality to impose a tax upon the privilege of engaging
10 in any business which under the Constitution of the United
11 States may not be made the subject of taxation by this State.

12 The proceeds of the tax imposed under this subsection
13 shall be deposited into the Business District Tax Allocation
14 Fund.

15 (e) Obligations secured by the Business District Tax
16 Allocation Fund may be issued to provide for the payment or
17 reimbursement of business district project costs. Those
18 obligations, when so issued, shall be retired in the manner
19 provided in the ordinance authorizing the issuance of those
20 obligations by the receipts of taxes imposed pursuant to
21 subsections (10) and (11) of Section 11-74.3-3 and by other
22 revenue designated or pledged by the municipality. A
23 municipality may in the ordinance pledge, for any period of
24 time up to and including the dissolution date, all or any part
25 of the funds in and to be deposited in the Business District
26 Tax Allocation Fund to the payment of business district

1 project costs and obligations. Whenever a municipality pledges
2 all of the funds to the credit of a business district tax
3 allocation fund to secure obligations issued or to be issued
4 to pay or reimburse business district project costs, the
5 municipality may specifically provide that funds remaining to
6 the credit of such business district tax allocation fund after
7 the payment of such obligations shall be accounted for
8 annually and shall be deemed to be "surplus" funds, and such
9 "surplus" funds shall be expended by the municipality for any
10 business district project cost as approved in the business
11 district plan. Whenever a municipality pledges less than all
12 of the monies to the credit of a business district tax
13 allocation fund to secure obligations issued or to be issued
14 to pay or reimburse business district project costs, the
15 municipality shall provide that monies to the credit of the
16 business district tax allocation fund and not subject to such
17 pledge or otherwise encumbered or required for payment of
18 contractual obligations for specific business district project
19 costs shall be calculated annually and shall be deemed to be
20 "surplus" funds, and such "surplus" funds shall be expended by
21 the municipality for any business district project cost as
22 approved in the business district plan.

23 No obligation issued pursuant to this Law and secured by a
24 pledge of all or any portion of any revenues received or to be
25 received by the municipality from the imposition of taxes
26 pursuant to subsection (10) of Section 11-74.3-3, shall be

1 deemed to constitute an economic incentive agreement under
2 Section 8-11-20, notwithstanding the fact that such pledge
3 provides for the sharing, rebate, or payment of retailers'
4 occupation taxes or service occupation taxes imposed pursuant
5 to subsection (10) of Section 11-74.3-3 and received or to be
6 received by the municipality from the development or
7 redevelopment of properties in the business district.

8 Without limiting the foregoing in this Section, the
9 municipality may further secure obligations secured by the
10 business district tax allocation fund with a pledge, for a

11 period not greater than the term of the obligations and in any
12 case not longer than the dissolution date, of any part or any
13 combination of the following: (i) net revenues of all or part
14 of any business district project; (ii) taxes levied or imposed
15 by the municipality on any or all property in the
16 municipality, including, specifically, taxes levied or imposed
17 by the municipality in a special service area pursuant to the
18 Special Service Area Tax Law; (iii) the full faith and credit
19 of the municipality; (iv) a mortgage on part or all of the
20 business district project; or (v) any other taxes or
21 anticipated receipts that the municipality may lawfully
22 pledge.

23 Such obligations may be issued in one or more series, bear
24 such date or dates, become due at such time or times as therein
25 provided, but in any case not later than (i) 20 years after the
26 date of issue or (ii) the dissolution date, whichever is

1 earlier, bear interest payable at such intervals and at such
2 rate or rates as set forth therein, except as may be limited by
3 applicable law, which rate or rates may be fixed or variable,
4 be in such denominations, be in such form, either coupon,
5 registered, or book-entry, carry such conversion, registration
6 and exchange privileges, be subject to defeasance upon such
7 terms, have such rank or priority, be executed in such manner,
8 be payable in such medium or payment at such place or places
9 within or without the State, make provision for a corporate
10 trustee within or without the State with respect to such
11 obligations, prescribe the rights, powers, and duties thereof
12 to be exercised for the benefit of the municipality and the
13 benefit of the owners of such obligations, provide for the
14 holding in trust, investment, and use of moneys, funds, and
15 accounts held under an ordinance, provide for assignment of
16 and direct payment of the moneys to pay such obligations or to
17 be deposited into such funds or accounts directly to such
18 trustee, be subject to such terms of redemption with or
19 without premium, and be sold at such price, all as the
20 corporate authorities shall determine. No referendum approval
21 of the electors shall be required as a condition to the
22 issuance of obligations pursuant to this Law except as

23 provided in this Section.

24 In the event the municipality authorizes the issuance of
25 obligations pursuant to the authority of this Law secured by
26 the full faith and credit of the municipality, or pledges ad

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1 valorem taxes pursuant to this subsection, which obligations
2 are other than obligations which may be issued under home rule
3 powers provided by Section 6 of Article VII of the Illinois
4 Constitution or which ad valorem taxes are other than ad
5 valorem taxes which may be pledged under home rule powers
6 provided by Section 6 of Article VII of the Illinois
7 Constitution or which are levied in a special service area
8 pursuant to the Special Service Area Tax Law, the ordinance
9 authorizing the issuance of those obligations or pledging
10 those taxes shall be published within 10 days after the
11 ordinance has been adopted, in a newspaper having a general
12 circulation within the municipality. The publication of the
13 ordinance shall be accompanied by a notice of (i) the specific
14 number of voters required to sign a petition requesting the
15 question of the issuance of the obligations or pledging such
16 ad valorem taxes to be submitted to the electors; (ii) the time
17 within which the petition must be filed; and (iii) the date of
18 the prospective referendum. The municipal clerk shall provide
19 a petition form to any individual requesting one.

20 If no petition is filed with the municipal clerk, as
21 hereinafter provided in this Section, within 21 days after the
22 publication of the ordinance, the ordinance shall be in
23 effect. However, if within that 21-day period a petition is
24 filed with the municipal clerk, signed by electors numbering
25 not less than 15% of the number of electors voting for the
26 mayor or president at the last general municipal election,

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1 asking that the question of issuing obligations using full
2 faith and credit of the municipality as security for the cost

3 of paying or reimbursing business district project costs, or
4 of pledging such ad valorem taxes for the payment of those
5 obligations, or both, be submitted to the electors of the
6 municipality, the municipality shall not be authorized to
7 issue obligations of the municipality using the full faith and
8 credit of the municipality as security or pledging such ad
9 valorem taxes for the payment of those obligations, or both,
10 until the proposition has been submitted to and approved by a
11 majority of the voters voting on the proposition at a
12 regularly scheduled election. The municipality shall certify
13 the proposition to the proper election authorities for
14 submission in accordance with the general election law.

15 The ordinance authorizing the obligations may provide that
16 the obligations shall contain a recital that they are issued
17 pursuant to this Law, which recital shall be conclusive
18 evidence of their validity and of the regularity of their
19 issuance.

20 In the event the municipality authorizes issuance of
21 obligations pursuant to this Law secured by the full faith and
22 credit of the municipality, the ordinance authorizing the
23 obligations may provide for the levy and collection of a
24 direct annual tax upon all taxable property within the
25 municipality sufficient to pay the principal thereof and
26 interest thereon as it matures, which levy may be in addition

1 to and exclusive of the maximum of all other taxes authorized
2 to be levied by the municipality, which levy, however, shall
3 be abated to the extent that monies from other sources are
4 available for payment of the obligations and the municipality
5 certifies the amount of those monies available to the county
6 clerk.

7 A certified copy of the ordinance shall be filed with the
8 county clerk of each county in which any portion of the
9 municipality is situated, and shall constitute the authority
10 for the extension and collection of the taxes to be deposited
11 in the business district tax allocation fund.

12 A municipality may also issue its obligations to refund,
13 in whole or in part, obligations theretofore issued by the
14 municipality under the authority of this Law, whether at or

15 prior to maturity. However, the last maturity of the refunding
16 obligations shall not be expressed to mature later than the
17 dissolution date.

18 In the event a municipality issues obligations under home
19 rule powers or other legislative authority, the proceeds of
20 which are pledged to pay or reimburse business district
21 project costs, the municipality may, if it has followed the
22 procedures in conformance with this Law, retire those
23 obligations from funds in the business district tax allocation
24 fund in amounts and in such manner as if those obligations had
25 been issued pursuant to the provisions of this Law.

26 No obligations issued pursuant to this Law shall be

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1 regarded as indebtedness of the municipality issuing those
2 obligations or any other taxing district for the purpose of
3 any limitation imposed by law.

4 Obligations issued pursuant to this Law shall not be
5 subject to the provisions of the Bond Authorization Act.

6 (f) When business district project costs, including,
7 without limitation, all obligations paying or reimbursing
8 business district project costs have been paid, any surplus
9 funds then remaining in the Business District Tax Allocation
10 Fund shall be distributed to the municipal treasurer for
11 deposit into the general corporate fund of the municipality.
12 Upon payment of all business district project costs and
13 retirement of all obligations paying or reimbursing business
14 district project costs, but in no event more than 23 years
15 after the date of adoption of the ordinance imposing taxes
16 pursuant to subsection (10) or (11) of Section 11-74.3-3, the
17 municipality shall adopt an ordinance immediately rescinding
18 the taxes imposed pursuant to subsection (10) or (11) of
19 Section 11-74.3-3.

20 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

21 Section 100-25. The Metro-East Park and Recreation
22 District Act is amended by changing Section 30 as follows:

23 (70 ILCS 1605/30)

24 Sec. 30. Taxes.

1 (a) The board shall impose a tax upon all persons engaged
2 in the business of selling tangible personal property, other
3 than personal property titled or registered with an agency of
4 this State's government, at retail in the District on the
5 gross receipts from the sales made in the course of business.
6 This tax shall be imposed only at the rate of one-tenth of one
7 per cent.

8 This additional tax may not be imposed on tangible
9 personal property taxed at the 1% rate under the Retailers'
10 Occupation Tax Act (or at the 0% rate imposed under this
11 amendatory Act of the 102nd General Assembly). Beginning
12 December 1, 2019 and through December 31, 2020, this tax is not
13 imposed on sales of aviation fuel unless the tax revenue is
14 expended for airport-related purposes. If the District does
15 not have an airport-related purpose to which it dedicates
16 aviation fuel tax revenue, then aviation fuel shall be
17 excluded from tax. The board must comply with the
18 certification requirements for airport-related purposes under
19 Section 2-22 of the Retailers' Occupation Tax Act. For
20 purposes of this Act, "airport-related purposes" has the
21 meaning ascribed in Section 6z-20.2 of the State Finance Act.
22 Beginning January 1, 2021, this tax is not imposed on sales of
23 aviation fuel for so long as the revenue use requirements of 49
24 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
25 District. The tax imposed by the Board under this Section and
26 all civil penalties that may be assessed as an incident of the

1 tax shall be collected and enforced by the Department of
2 Revenue. The certificate of registration that is issued by the
3 Department to a retailer under the Retailers' Occupation Tax
4 Act shall permit the retailer to engage in a business that is
5 taxable without registering separately with the Department
6 under an ordinance or resolution under this Section. The

7 Department has full power to administer and enforce this
8 Section, to collect all taxes and penalties due under this
9 Section, to dispose of taxes and penalties so collected in the
10 manner provided in this Section, and to determine all rights
11 to credit memoranda arising on account of the erroneous
12 payment of a tax or penalty under this Section. In the
13 administration of and compliance with this Section, the
14 Department and persons who are subject to this Section shall
15 (i) have the same rights, remedies, privileges, immunities,
16 powers, and duties, (ii) be subject to the same conditions,
17 restrictions, limitations, penalties, and definitions of
18 terms, and (iii) employ the same modes of procedure as are
19 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
20 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions
21 contained in those Sections other than the State rate of tax),
22 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions
23 relating to transaction returns and quarter monthly payments,
24 and except that the retailer's discount is not allowed for
25 taxes paid on aviation fuel that are subject to the revenue use
26 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,

1 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,
2 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
3 Occupation Tax Act and the Uniform Penalty and Interest Act as
4 if those provisions were set forth in this Section.

5 Persons subject to any tax imposed under the authority
6 granted in this Section may reimburse themselves for their
7 sellers' tax liability by separately stating the tax as an
8 additional charge, which charge may be stated in combination,
9 in a single amount, with State tax which sellers are required
10 to collect under the Use Tax Act, pursuant to such bracketed
11 schedules as the Department may prescribe.

12 Whenever the Department determines that a refund should be
13 made under this Section to a claimant instead of issuing a
14 credit memorandum, the Department shall notify the State
15 Comptroller, who shall cause the order to be drawn for the
16 amount specified and to the person named in the notification
17 from the Department. The refund shall be paid by the State
18 Treasurer out of the State Metro-East Park and Recreation

19 District Fund or the Local Government Aviation Trust Fund, as
20 appropriate.

21 (b) If a tax has been imposed under subsection (a), a
22 service occupation tax shall also be imposed at the same rate
23 upon all persons engaged, in the District, in the business of
24 making sales of service, who, as an incident to making those
25 sales of service, transfer tangible personal property within
26 the District as an incident to a sale of service. This tax may

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1 not be imposed on tangible personal property taxed at the 1%
2 rate under the Service Occupation Tax Act (or at the 0% rate
3 imposed under this amendatory Act of the 102nd General
4 Assembly). Beginning December 1, 2019 and through December 31,
5 2020, this tax may not be imposed on sales of aviation fuel
6 unless the tax revenue is expended for airport-related
7 purposes. If the District does not have an airport-related
8 purpose to which it dedicates aviation fuel tax revenue, then
9 aviation fuel shall be excluded from tax. The board must
10 comply with the certification requirements for airport-related
11 purposes under Section 2-22 of the Retailers' Occupation Tax
12 Act. For purposes of this Act, "airport-related purposes" has
13 the meaning ascribed in Section 6z-20.2 of the State Finance
14 Act. Beginning January 1, 2021, this tax is not imposed on
15 sales of aviation fuel for so long as the revenue use
16 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
17 binding on the District. The tax imposed under this subsection
18 and all civil penalties that may be assessed as an incident
19 thereof shall be collected and enforced by the Department of
20 Revenue. The Department has full power to administer and
21 enforce this subsection; to collect all taxes and penalties
22 due hereunder; to dispose of taxes and penalties so collected
23 in the manner hereinafter provided; and to determine all
24 rights to credit memoranda arising on account of the erroneous
25 payment of tax or penalty hereunder. In the administration of,
26 and compliance with this subsection, the Department and

1 persons who are subject to this paragraph shall (i) have the
2 same rights, remedies, privileges, immunities, powers, and
3 duties, (ii) be subject to the same conditions, restrictions,
4 limitations, penalties, exclusions, exemptions, and
5 definitions of terms, and (iii) employ the same modes of
6 procedure as are prescribed in Sections 2 (except that the
7 reference to State in the definition of supplier maintaining a
8 place of business in this State shall mean the District), 2a,
9 2b, 2c, 3 through 3-50 (in respect to all provisions therein
10 other than the State rate of tax), 4 (except that the reference
11 to the State shall be to the District), 5, 7, 8 (except that
12 the jurisdiction to which the tax shall be a debt to the extent
13 indicated in that Section 8 shall be the District), 9 (except
14 as to the disposition of taxes and penalties collected, and
15 except that the retailer's discount is not allowed for taxes
16 paid on aviation fuel that are subject to the revenue use
17 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
18 11, 12 (except the reference therein to Section 2b of the
19 Retailers' Occupation Tax Act), 13 (except that any reference
20 to the State shall mean the District), Sections 15, 16, 17, 18,
21 19 and 20 of the Service Occupation Tax Act and the Uniform
22 Penalty and Interest Act, as fully as if those provisions were
23 set forth herein.

24 Persons subject to any tax imposed under the authority
25 granted in this subsection may reimburse themselves for their
26 serviceman's tax liability by separately stating the tax as an

1 additional charge, which charge may be stated in combination,
2 in a single amount, with State tax that servicemen are
3 authorized to collect under the Service Use Tax Act, in
4 accordance with such bracket schedules as the Department may
5 prescribe.

6 Whenever the Department determines that a refund should be
7 made under this subsection to a claimant instead of issuing a
8 credit memorandum, the Department shall notify the State
9 Comptroller, who shall cause the warrant to be drawn for the
10 amount specified, and to the person named, in the notification

11 from the Department. The refund shall be paid by the State
12 Treasurer out of the State Metro-East Park and Recreation
13 District Fund or the Local Government Aviation Trust Fund, as
14 appropriate.

15 Nothing in this subsection shall be construed to authorize
16 the board to impose a tax upon the privilege of engaging in any
17 business which under the Constitution of the United States may
18 not be made the subject of taxation by the State.

19 (b-5) If, on January 1, 2025, a unit of local government
20 has in effect a tax under this Section, or if, after January 1,
21 2025, a unit of local government imposes a tax under this
22 Section, then that tax applies to leases of tangible personal
23 property in effect, entered into, or renewed on or after that
24 date in the same manner as the tax under this Section and in
25 accordance with the changes made by this amendatory Act of the
26 103rd General Assembly.

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1 (c) Except as otherwise provided in this paragraph, the
2 Department shall immediately pay over to the State Treasurer,
3 ex officio, as trustee, all taxes and penalties collected
4 under this Section to be deposited into the State Metro-East
5 Park and Recreation District Fund, which shall be an
6 unappropriated trust fund held outside of the State treasury.
7 Taxes and penalties collected on aviation fuel sold on or
8 after December 1, 2019 and through December 31, 2020, shall be
9 immediately paid over by the Department to the State
10 Treasurer, ex officio, as trustee, for deposit into the Local
11 Government Aviation Trust Fund. The Department shall only pay
12 moneys into the Local Government Aviation Trust Fund under
13 this Act for so long as the revenue use requirements of 49
14 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
15 District.

16 As soon as possible after the first day of each month,
17 beginning January 1, 2011, upon certification of the
18 Department of Revenue, the Comptroller shall order
19 transferred, and the Treasurer shall transfer, to the STAR
20 Bonds Revenue Fund the local sales tax increment, as defined
21 in the Innovation Development and Economy Act, collected under
22 this Section during the second preceding calendar month for

23 sales within a STAR bond district. The Department shall make
24 this certification only if the Metro East Park and Recreation
25 District imposes a tax on real property as provided in the
26 definition of "local sales taxes" under the Innovation

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1 Development and Economy Act.

2 As soon as possible after the first day of each month,
3 beginning July 1, 2026, upon certification of the Department
4 of Revenue, the Comptroller shall order transferred, and the
5 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
6 local sales tax increment, as defined in the Statewide
7 Innovation Development and Economy Act, collected under this
8 Section during the second preceding calendar month for sales
9 within a STAR bond district. The Department shall make this
10 certification only if the Metro East Park and Recreation
11 District imposes a tax on real property as provided in the
12 definition of "local sales taxes" under the Statewide
13 Innovation Development and Economy Act.

14 After the monthly ~~transfers~~ ~~transfer~~ to the STAR Bonds
15 Revenue Fund, on or before the 25th day of each calendar month,
16 the Department shall prepare and certify to the Comptroller
17 the disbursement of stated sums of money pursuant to Section
18 35 of this Act to the District from which retailers have paid
19 taxes or penalties to the Department during the second
20 preceding calendar month. The amount to be paid to the
21 District shall be the amount (not including credit memoranda
22 and not including taxes and penalties collected on aviation
23 fuel sold on or after December 1, 2019 and through December 31,
24 2020) collected under this Section during the second preceding
25 calendar month by the Department plus an amount the Department
26 determines is necessary to offset any amounts that were

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1 erroneously paid to a different taxing body, and not including
2 (i) an amount equal to the amount of refunds made during the

3 second preceding calendar month by the Department on behalf of
4 the District, (ii) any amount that the Department determines
5 is necessary to offset any amounts that were payable to a
6 different taxing body but were erroneously paid to the
7 District, (iii) any amounts that are transferred to the STAR
8 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the
9 Department shall transfer into the Tax Compliance and
10 Administration Fund. The Department, at the time of each
11 monthly disbursement to the District, shall prepare and
12 certify to the State Comptroller the amount to be transferred
13 into the Tax Compliance and Administration Fund under this
14 subsection. Within 10 days after receipt by the Comptroller of
15 the disbursement certification to the District and the Tax
16 Compliance and Administration Fund provided for in this
17 Section to be given to the Comptroller by the Department, the
18 Comptroller shall cause the orders to be drawn for the
19 respective amounts in accordance with directions contained in
20 the certification.

21 (d) For the purpose of determining whether a tax
22 authorized under this Section is applicable, a retail sale by
23 a producer of coal or another mineral mined in Illinois is a
24 sale at retail at the place where the coal or other mineral
25 mined in Illinois is extracted from the earth. This paragraph
26 does not apply to coal or another mineral when it is delivered

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

4 (e) Nothing in this Section shall be construed to
5 authorize the board to impose a tax upon the privilege of
6 engaging in any business that under the Constitution of the
7 United States may not be made the subject of taxation by this
8 State.

9 (f) An ordinance imposing a tax under this Section or an
10 ordinance extending the imposition of a tax to an additional
11 county or counties shall be certified by the board and filed
12 with the Department of Revenue either (i) on or before the
13 first day of April, whereupon the Department shall proceed to
14 administer and enforce the tax as of the first day of July next

15 following the filing; or (ii) on or before the first day of
16 October, whereupon the Department shall proceed to administer
17 and enforce the tax as of the first day of January next
18 following the filing.

19 (g) When certifying the amount of a monthly disbursement
20 to the District under this Section, the Department shall
21 increase or decrease the amounts by an amount necessary to
22 offset any misallocation of previous disbursements. The offset
23 amount shall be the amount erroneously disbursed within the
24 previous 6 months from the time a misallocation is discovered.
25 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

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1 Section 100-30. The Local Mass Transit District Act is
2 amended by changing Section 5.01 as follows:

3 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)
4 Sec. 5.01. Metro East Mass Transit District; use and
5 occupation taxes.

6 (a) The Board of Trustees of any Metro East Mass Transit
7 District may, by ordinance adopted with the concurrence of
8 two-thirds of the then trustees, impose throughout the
9 District any or all of the taxes and fees provided in this
10 Section. Except as otherwise provided, all taxes and fees
11 imposed under this Section shall be used only for public mass
12 transportation systems, and the amount used to provide mass
13 transit service to unserved areas of the District shall be in
14 the same proportion to the total proceeds as the number of
15 persons residing in the unserved areas is to the total
16 population of the District. Except as otherwise provided in
17 this Act, taxes imposed under this Section and civil penalties
18 imposed incident thereto shall be collected and enforced by
19 the State Department of Revenue. The Department shall have the
20 power to administer and enforce the taxes and to determine all
21 rights for refunds for erroneous payments of the taxes.

22 (b) The Board may impose a Metro East Mass Transit
23 District Retailers' Occupation Tax upon all persons engaged in
24 the business of selling tangible personal property at retail
25 in the district at a rate of 1/4 of 1%, or as authorized under

1 subsection (d-5) of this Section, of the gross receipts from
2 the sales made in the course of such business within the
3 district, including sales of food for human consumption that
4 is to be consumed off the premises where it is sold (other than
5 alcoholic beverages, food consisting of or infused with adult
6 use cannabis, soft drinks, candy, and food that has been
7 prepared for immediate consumption), except that the rate of
8 tax imposed under this Section on sales of aviation fuel on or
9 after December 1, 2019 shall be 0.25% in Madison County unless
10 the Metro-East Mass Transit District in Madison County has an
11 "airport-related purpose" and any additional amount authorized
12 under subsection (d-5) is expended for airport-related
13 purposes. If there is no airport-related purpose to which
14 aviation fuel tax revenue is dedicated, then aviation fuel is
15 excluded from any additional amount authorized under
16 subsection (d-5). The rate in St. Clair County shall be 0.25%
17 unless the Metro-East Mass Transit District in St. Clair
18 County has an "airport-related purpose" and the additional
19 0.50% of the 0.75% tax on aviation fuel imposed in that County
20 is expended for airport-related purposes. If there is no
21 airport-related purpose to which aviation fuel tax revenue is
22 dedicated, then aviation fuel is excluded from the additional
23 0.50% of the 0.75% tax.

24 The Board must comply with the certification requirements
25 for airport-related purposes under Section 2-22 of the
26 Retailers' Occupation Tax Act. For purposes of this Section,

1 "airport-related purposes" has the meaning ascribed in Section
2 6z-20.2 of the State Finance Act. This exclusion for aviation
3 fuel only applies for so long as the revenue use requirements
4 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
5 District.

6 The tax imposed under this Section and all civil penalties

7 that may be assessed as an incident thereof shall be collected
8 and enforced by the State Department of Revenue. The
9 Department shall have full power to administer and enforce
10 this Section; to collect all taxes and penalties so collected
11 in the manner hereinafter provided; and to determine all
12 rights to credit memoranda arising on account of the erroneous
13 payment of tax or penalty hereunder. In the administration of,
14 and compliance with, this Section, the Department and persons
15 who are subject to this Section shall have the same rights,
16 remedies, privileges, immunities, powers and duties, and be
17 subject to the same conditions, restrictions, limitations,
18 penalties, exclusions, exemptions and definitions of terms and
19 employ the same modes of procedure, as are prescribed in
20 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
21 (in respect to all provisions therein other than the State
22 rate of tax and other than the exemption for food for human
23 consumption that is to be consumed off the premises where it is
24 sold (other than alcoholic beverages, food consisting of or
25 infused with adult use cannabis, soft drinks, candy, and food
26 that has been prepared for immediate consumption), which is

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1 taxed at the rate as provided in this subsection), 2c, 3
2 (except as to the disposition of taxes and penalties
3 collected, and except that the retailer's discount is not
4 allowed for taxes paid on aviation fuel that are subject to the
5 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
6 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6,
7 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of the
8 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
9 Penalty and Interest Act, as fully as if those provisions were
10 set forth herein.

11 Persons subject to any tax imposed under the Section may
12 reimburse themselves for their seller's tax liability
13 hereunder by separately stating the tax as an additional
14 charge, which charge may be stated in combination, in a single
15 amount, with State taxes that sellers are required to collect
16 under the Use Tax Act, in accordance with such bracket
17 schedules as the Department may prescribe.

18 Whenever the Department determines that a refund should be

19 made under this Section to a claimant instead of issuing a
20 credit memorandum, the Department shall notify the State
21 Comptroller, who shall cause the warrant to be drawn for the
22 amount specified, and to the person named, in the notification
23 from the Department. The refund shall be paid by the State
24 Treasurer out of the Metro East Mass Transit District tax fund
25 established under paragraph (h) of this Section or the Local
26 Government Aviation Trust Fund, as appropriate.

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1 If a tax is imposed under this subsection (b), a tax shall
2 also be imposed under subsections (c) and (d) of this Section.

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

12 No tax shall be imposed or collected under this subsection
13 on the sale of a motor vehicle in this State to a resident of
14 another state if that motor vehicle will not be titled in this
15 State.

16 Nothing in this Section shall be construed to authorize
17 the Metro East Mass Transit District to impose a tax upon the
18 privilege of engaging in any business which under the
19 Constitution of the United States may not be made the subject
20 of taxation by this State.

21 (c) If a tax has been imposed under subsection (b), a Metro
22 East Mass Transit District Service Occupation Tax shall also
23 be imposed upon all persons engaged, in the district, in the
24 business of making sales of service, who, as an incident to
25 making those sales of service, transfer tangible personal
26 property within the District, either in the form of tangible

1 personal property or in the form of real estate as an incident
2 to a sale of service. The tax rate shall be (1) 1/4%, or as
3 authorized under subsection (d-5) of this Section, of the
4 selling price of tangible personal property so transferred
5 within the district, including food for human consumption that
6 is to be consumed off the premises where it is sold (other than
7 alcoholic beverages, food consisting of or infused with adult
8 use cannabis, soft drinks, candy, and food that has been
9 prepared for immediate consumption); and (2) 1/4%, or as
10 authorized under subsection (d-5) of this Section, of the
11 serviceman's cost price of food prepared for immediate
12 consumption and transferred incident to a sale of service
13 subject to the service occupation tax by an entity that is
14 licensed under the Hospital Licensing Act, the Nursing Home
15 Care Act, the Assisted Living and Shared Housing Act, the
16 Specialized Mental Health Rehabilitation Act of 2013, the
17 ID/DD Community Care Act, or the MC/DD Act, or the Child Care
18 Act of 1969, or an entity that holds a permit issued pursuant
19 to the Life Care Facilities Act. However, the rate of tax
20 imposed in these Counties under this Section on sales of
21 aviation fuel on or after December 1, 2019 shall be 0.25% in
22 Madison County unless the Metro-East Mass Transit District in
23 Madison County has an "airport-related purpose" and any
24 additional amount authorized under subsection (d-5) is
25 expended for airport-related purposes. If there is no
26 airport-related purpose to which aviation fuel tax revenue is

1 dedicated, then aviation fuel is excluded from any additional
2 amount authorized under subsection (d-5). The rate in St.
3 Clair County shall be 0.25% unless the Metro-East Mass Transit
4 District in St. Clair County has an "airport-related purpose"
5 and the additional 0.50% of the 0.75% tax on aviation fuel is
6 expended for airport-related purposes. If there is no
7 airport-related purpose to which aviation fuel tax revenue is
8 dedicated, then aviation fuel is excluded from the additional
9 0.50% of the 0.75% tax.

10 The Board must comply with the certification requirements

11 for airport-related purposes under Section 2-22 of the
12 Retailers' Occupation Tax Act. For purposes of this Section,
13 "airport-related purposes" has the meaning ascribed in Section
14 6z-20.2 of the State Finance Act. This exclusion for aviation
15 fuel only applies for so long as the revenue use requirements
16 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
17 District.

18 The tax imposed under this paragraph and all civil
19 penalties that may be assessed as an incident thereof shall be
20 collected and enforced by the State Department of Revenue. The
21 Department shall have full power to administer and enforce
22 this paragraph; to collect all taxes and penalties due
23 hereunder; to dispose of taxes and penalties so collected in
24 the manner hereinafter provided; and to determine all rights
25 to credit memoranda arising on account of the erroneous
26 payment of tax or penalty hereunder. In the administration of,

1 and compliance with this paragraph, the Department and persons
2 who are subject to this paragraph shall have the same rights,
3 remedies, privileges, immunities, powers and duties, and be
4 subject to the same conditions, restrictions, limitations,
5 penalties, exclusions, exemptions and definitions of terms and
6 employ the same modes of procedure as are prescribed in
7 Sections 1a-1, 2 (except that the reference to State in the
8 definition of supplier maintaining a place of business in this
9 State shall mean the Authority), 2a, 3 through 3-50 (in
10 respect to all provisions therein other than (i) the State
11 rate of tax; (ii) the exemption for food for human consumption
12 that is to be consumed off the premises where it is sold (other
13 than alcoholic beverages, food consisting of or infused with
14 adult use cannabis, soft drinks, candy, and food that has been
15 prepared for immediate consumption), which is taxed at the
16 rate as provided in this subsection; and (iii) the exemption
17 for food prepared for immediate consumption and transferred
18 incident to a sale of service subject to the service
19 occupation tax by an entity that is licensed under the
20 Hospital Licensing Act, the Nursing Home Care Act, the
21 Assisted Living and Shared Housing Act, the Specialized Mental
22 Health Rehabilitation Act of 2013, the ID/DD Community Care

23 Act, or the MC/DD Act, or the Child Care Act of 1969, or an
24 entity that holds a permit issued pursuant to the Life Care
25 Facilities Act, which is taxed at the rate as provided in this
26 subsection), 4 (except that the reference to the State shall

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1 be to the Authority), 5, 7, 8 (except that the jurisdiction to
2 which the tax shall be a debt to the extent indicated in that
3 Section 8 shall be the District), 9 (except as to the
4 disposition of taxes and penalties collected, and except that
5 the returned merchandise credit for this tax may not be taken
6 against any State tax, and except that the retailer's discount
7 is not allowed for taxes paid on aviation fuel that are subject
8 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
9 U.S.C. 47133), 10, 11, 12 (except the reference therein to
10 Section 2b of the Retailers' Occupation Tax Act), 13 (except
11 that any reference to the State shall mean the District), the
12 first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
13 Service Occupation Tax Act and Section 3-7 of the Uniform
14 Penalty and Interest Act, as fully as if those provisions were
15 set forth herein.

16 Persons subject to any tax imposed under the authority
17 granted in this paragraph may reimburse themselves for their
18 serviceman's tax liability hereunder by separately stating the
19 tax as an additional charge, which charge may be stated in
20 combination, in a single amount, with State tax that
21 servicemen are authorized to collect under the Service Use Tax
22 Act, in accordance with such bracket schedules as the
23 Department may prescribe.

24 Whenever the Department determines that a refund should be
25 made under this paragraph to a claimant instead of issuing a
26 credit memorandum, the Department shall notify the State

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1 Comptroller, who shall cause the warrant to be drawn for the
2 amount specified, and to the person named, in the notification

3 from the Department. The refund shall be paid by the State
4 Treasurer out of the Metro East Mass Transit District tax fund
5 established under paragraph (h) of this Section or the Local
6 Government Aviation Trust Fund, as appropriate.

7 Nothing in this paragraph shall be construed to authorize
8 the District to impose a tax upon the privilege of engaging in
9 any business which under the Constitution of the United States
10 may not be made the subject of taxation by the State.

11 (d) If a tax has been imposed under subsection (b), a Metro
12 East Mass Transit District Use Tax shall also be imposed upon
13 the privilege of using, in the district, any item of tangible
14 personal property that is purchased outside the district at
15 retail from a retailer, and that is titled or registered with
16 an agency of this State's government, at a rate of 1/4%, or as
17 authorized under subsection (d-5) of this Section, of the
18 selling price of the tangible personal property within the
19 District, as "selling price" is defined in the Use Tax Act. The
20 tax shall be collected from persons whose Illinois address for
21 titling or registration purposes is given as being in the
22 District. The tax shall be collected by the Department of
23 Revenue for the Metro East Mass Transit District. The tax must
24 be paid to the State, or an exemption determination must be
25 obtained from the Department of Revenue, before the title or
26 certificate of registration for the property may be issued.

1 The tax or proof of exemption may be transmitted to the
2 Department by way of the State agency with which, or the State
3 officer with whom, the tangible personal property must be
4 titled or registered if the Department and the State agency or
5 State officer determine that this procedure will expedite the
6 processing of applications for title or registration.

7 The Department shall have full power to administer and
8 enforce this paragraph; to collect all taxes, penalties and
9 interest due hereunder; to dispose of taxes, penalties and
10 interest so collected in the manner hereinafter provided; and
11 to determine all rights to credit memoranda or refunds arising
12 on account of the erroneous payment of tax, penalty or
13 interest hereunder. In the administration of, and compliance
14 with, this paragraph, the Department and persons who are

15 subject to this paragraph shall have the same rights,
16 remedies, privileges, immunities, powers and duties, and be
17 subject to the same conditions, restrictions, limitations,
18 penalties, exclusions, exemptions and definitions of terms and
19 employ the same modes of procedure, as are prescribed in
20 Sections 2 (except the definition of "retailer maintaining a
21 place of business in this State"), 3 through 3-80 (except
22 provisions pertaining to the State rate of tax, and except
23 provisions concerning collection or refunding of the tax by
24 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions
25 pertaining to claims by retailers and except the last
26 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act

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1 and Section 3-7 of the Uniform Penalty and Interest Act, that
2 are not inconsistent with this paragraph, as fully as if those
3 provisions were set forth herein.

4 Whenever the Department determines that a refund should be
5 made under this paragraph to a claimant instead of issuing a
6 credit memorandum, the Department shall notify the State
7 Comptroller, who shall cause the order to be drawn for the
8 amount specified, and to the person named, in the notification
9 from the Department. The refund shall be paid by the State
10 Treasurer out of the Metro East Mass Transit District tax fund
11 established under paragraph (h) of this Section.

12 (d-1) If, on January 1, 2025, a unit of local government
13 has in effect a tax under subsections (b), (c), and (d) or if,
14 after January 1, 2025, a unit of local government imposes a tax
15 under subsections (b), (c), and (d), then that tax applies to
16 leases of tangible personal property in effect, entered into,
17 or renewed on or after that date in the same manner as the tax
18 under this Section and in accordance with the changes made by
19 this amendatory Act of the 103rd General Assembly.

20 (d-5) (A) The county board of any county participating in
21 the Metro East Mass Transit District may authorize, by
22 ordinance, a referendum on the question of whether the tax
23 rates for the Metro East Mass Transit District Retailers'
24 Occupation Tax, the Metro East Mass Transit District Service
25 Occupation Tax, and the Metro East Mass Transit District Use
26 Tax for the District should be increased from 0.25% to 0.75%.

1 Upon adopting the ordinance, the county board shall certify
2 the proposition to the proper election officials who shall
3 submit the proposition to the voters of the District at the
4 next election, in accordance with the general election law.

5 The proposition shall be in substantially the following
6 form:

7 Shall the tax rates for the Metro East Mass Transit
8 District Retailers' Occupation Tax, the Metro East Mass
9 Transit District Service Occupation Tax, and the Metro
10 East Mass Transit District Use Tax be increased from 0.25%
11 to 0.75%?

12 (B) Two thousand five hundred electors of any Metro East
13 Mass Transit District may petition the Chief Judge of the
14 Circuit Court, or any judge of that Circuit designated by the
15 Chief Judge, in which that District is located to cause to be
16 submitted to a vote of the electors the question whether the
17 tax rates for the Metro East Mass Transit District Retailers'
18 Occupation Tax, the Metro East Mass Transit District Service
19 Occupation Tax, and the Metro East Mass Transit District Use
20 Tax for the District should be increased from 0.25% to 0.75%.

21 Upon submission of such petition the court shall set a
22 date not less than 10 nor more than 30 days thereafter for a
23 hearing on the sufficiency thereof. Notice of the filing of
24 such petition and of such date shall be given in writing to the
25 District and the County Clerk at least 7 days before the date
26 of such hearing.

1 If such petition is found sufficient, the court shall
2 enter an order to submit that proposition at the next
3 election, in accordance with general election law.

4 The form of the petition shall be in substantially the
5 following form: To the Circuit Court of the County of (name of
6 county):

7 We, the undersigned electors of the (name of transit
8 district), respectfully petition your honor to submit to a
9 vote of the electors of (name of transit district) the
10 following proposition:

11 Shall the tax rates for the Metro East Mass Transit
12 District Retailers' Occupation Tax, the Metro East Mass
13 Transit District Service Occupation Tax, and the Metro
14 East Mass Transit District Use Tax be increased from 0.25%
15 to 0.75%?

16	Name	Address, with Street and Number.
17		
18		

19 (C) The votes shall be recorded as "YES" or "NO". If a
20 majority of all votes cast on the proposition are for the
21 increase in the tax rates, the Metro East Mass Transit
22 District shall begin imposing the increased rates in the
23 District, and the Department of Revenue shall begin collecting
24 the increased amounts, as provided under this Section. An
25 ordinance imposing or discontinuing a tax hereunder or
26 effecting a change in the rate thereof shall be adopted and a

1 certified copy thereof filed with the Department on or before
2 the first day of October, whereupon the Department shall
3 proceed to administer and enforce this Section as of the first
4 day of January next following the adoption and filing, or on or
5 before the first day of April, whereupon the Department shall
6 proceed to administer and enforce this Section as of the first
7 day of July next following the adoption and filing.

8 (D) If the voters have approved a referendum under this
9 subsection, before November 1, 1994, to increase the tax rate
10 under this subsection, the Metro East Mass Transit District
11 Board of Trustees may adopt by a majority vote an ordinance at
12 any time before January 1, 1995 that excludes from the rate
13 increase tangible personal property that is titled or
14 registered with an agency of this State's government. The
15 ordinance excluding titled or registered tangible personal
16 property from the rate increase must be filed with the
17 Department at least 15 days before its effective date. At any

18 time after adopting an ordinance excluding from the rate
19 increase tangible personal property that is titled or
20 registered with an agency of this State's government, the
21 Metro East Mass Transit District Board of Trustees may adopt
22 an ordinance applying the rate increase to that tangible
23 personal property. The ordinance shall be adopted, and a
24 certified copy of that ordinance shall be filed with the
25 Department, on or before October 1, whereupon the Department
26 shall proceed to administer and enforce the rate increase

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1 against tangible personal property titled or registered with
2 an agency of this State's government as of the following
3 January 1. After December 31, 1995, any reimposed rate
4 increase in effect under this subsection shall no longer apply
5 to tangible personal property titled or registered with an
6 agency of this State's government. Beginning January 1, 1996,
7 the Board of Trustees of any Metro East Mass Transit District
8 may never reimpose a previously excluded tax rate increase on
9 tangible personal property titled or registered with an agency
10 of this State's government. After July 1, 2004, if the voters
11 have approved a referendum under this subsection to increase
12 the tax rate under this subsection, the Metro East Mass
13 Transit District Board of Trustees may adopt by a majority
14 vote an ordinance that excludes from the rate increase
15 tangible personal property that is titled or registered with
16 an agency of this State's government. The ordinance excluding
17 titled or registered tangible personal property from the rate
18 increase shall be adopted, and a certified copy of that
19 ordinance shall be filed with the Department on or before
20 October 1, whereupon the Department shall administer and
21 enforce this exclusion from the rate increase as of the
22 following January 1, or on or before April 1, whereupon the
23 Department shall administer and enforce this exclusion from
24 the rate increase as of the following July 1. The Board of
25 Trustees of any Metro East Mass Transit District may never
26 reimpose a previously excluded tax rate increase on tangible

1 personal property titled or registered with an agency of this
2 State's government.

3 (d-6) If the Board of Trustees of any Metro East Mass
4 Transit District has imposed a rate increase under subsection
5 (d-5) and filed an ordinance with the Department of Revenue
6 excluding titled property from the higher rate, then that
7 Board may, by ordinance adopted with the concurrence of
8 two-thirds of the then trustees, impose throughout the
9 District a fee. The fee on the excluded property shall not
10 exceed \$20 per retail transaction or an amount equal to the
11 amount of tax excluded, whichever is less, on tangible
12 personal property that is titled or registered with an agency
13 of this State's government. Beginning July 1, 2004, the fee
14 shall apply only to titled property that is subject to either
15 the Metro East Mass Transit District Retailers' Occupation Tax
16 or the Metro East Mass Transit District Service Occupation
17 Tax. No fee shall be imposed or collected under this
18 subsection on the sale of a motor vehicle in this State to a
19 resident of another state if that motor vehicle will not be
20 titled in this State.

21 (d-7) Until June 30, 2004, if a fee has been imposed under
22 subsection (d-6), a fee shall also be imposed upon the
23 privilege of using, in the district, any item of tangible
24 personal property that is titled or registered with any agency
25 of this State's government, in an amount equal to the amount of
26 the fee imposed under subsection (d-6).

1 (d-7.1) Beginning July 1, 2004, any fee imposed by the
2 Board of Trustees of any Metro East Mass Transit District
3 under subsection (d-6) and all civil penalties that may be
4 assessed as an incident of the fees shall be collected and
5 enforced by the State Department of Revenue. Reference to
6 "taxes" in this Section shall be construed to apply to the

7 administration, payment, and remittance of all fees under this
8 Section. For purposes of any fee imposed under subsection
9 (d-6), 4% of the fee, penalty, and interest received by the
10 Department in the first 12 months that the fee is collected and
11 enforced by the Department and 2% of the fee, penalty, and
12 interest following the first 12 months (except the amount
13 collected on aviation fuel sold on or after December 1, 2019)
14 shall be deposited into the Tax Compliance and Administration
15 Fund and shall be used by the Department, subject to
16 appropriation, to cover the costs of the Department. No
17 retailers' discount shall apply to any fee imposed under
18 subsection (d-6).

19 (d-8) No item of titled property shall be subject to both
20 the higher rate approved by referendum, as authorized under
21 subsection (d-5), and any fee imposed under subsection (d-6)
22 or (d-7).

23 (d-9) (Blank).

24 (d-10) (Blank).

25 (e) A certificate of registration issued by the State
26 Department of Revenue to a retailer under the Retailers'

1 Occupation Tax Act or under the Service Occupation Tax Act
2 shall permit the registrant to engage in a business that is
3 taxed under the tax imposed under paragraphs (b), (c) or (d) of
4 this Section and no additional registration shall be required
5 under the tax. A certificate issued under the Use Tax Act or
6 the Service Use Tax Act shall be applicable with regard to any
7 tax imposed under paragraph (c) of this Section.

8 (f) (Blank).

9 (g) Any ordinance imposing or discontinuing any tax under
10 this Section shall be adopted and a certified copy thereof
11 filed with the Department on or before June 1, whereupon the
12 Department of Revenue shall proceed to administer and enforce
13 this Section on behalf of the Metro East Mass Transit District
14 as of September 1 next following such adoption and filing.
15 Beginning January 1, 1992, an ordinance or resolution imposing
16 or discontinuing the tax hereunder shall be adopted and a
17 certified copy thereof filed with the Department on or before
18 the first day of July, whereupon the Department shall proceed

19 to administer and enforce this Section as of the first day of
20 October next following such adoption and filing. Beginning
21 January 1, 1993, except as provided in subsection (d-5) of
22 this Section, an ordinance or resolution imposing or
23 discontinuing the tax hereunder shall be adopted and a
24 certified copy thereof filed with the Department on or before
25 the first day of October, whereupon the Department shall
26 proceed to administer and enforce this Section as of the first

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1 day of January next following such adoption and filing, or,
2 beginning January 1, 2004, on or before the first day of April,
3 whereupon the Department shall proceed to administer and
4 enforce this Section as of the first day of July next following
5 the adoption and filing.

6 (h) Except as provided in subsection (d-7.1), the State
7 Department of Revenue shall, upon collecting any taxes as
8 provided in this Section, pay the taxes over to the State
9 Treasurer as trustee for the District. The taxes shall be held
10 in a trust fund outside the State treasury. If an
11 airport-related purpose has been certified, taxes and
12 penalties collected in St. Clair County on aviation fuel sold
13 on or after December 1, 2019 from the 0.50% of the 0.75% rate
14 shall be immediately paid over by the Department to the State
15 Treasurer, ex officio, as trustee, for deposit into the Local
16 Government Aviation Trust Fund. The Department shall only pay
17 moneys into the Local Government Aviation Trust Fund under
18 this Act for so long as the revenue use requirements of 49
19 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
20 District.

21 As soon as possible after the first day of each month,
22 beginning January 1, 2011, upon certification of the
23 Department of Revenue, the Comptroller shall order
24 transferred, and the Treasurer shall transfer, to the STAR
25 Bonds Revenue Fund the local sales tax increment, as defined
26 in the Innovation Development and Economy Act, collected under

1 this Section during the second preceding calendar month for
2 sales within a STAR bond district. The Department shall make
3 this certification only if the local mass transit district
4 imposes a tax on real property as provided in the definition of
5 "local sales taxes" under the Innovation Development and
6 Economy Act.

7 As soon as possible after the first day of each month,
8 beginning July 1, 2026, upon certification of the Department
9 of Revenue, the Comptroller shall order transferred, and the
10 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
11 local sales tax increment, as defined in the Statewide
12 Innovation Development and Economy Act, collected under this
13 Section during the second preceding calendar month for sales
14 within a STAR bond district. The Department shall make this
15 certification only if the local mass transit district imposes
16 a tax on real property as provided in the definition of "local
17 sales taxes" under the Statewide Innovation Development and
18 Economy Act.

19 After the monthly ~~transfers~~ transfer to the STAR Bonds
20 Revenue Fund, on or before the 25th day of each calendar month,
21 the State Department of Revenue shall prepare and certify to
22 the Comptroller of the State of Illinois the amount to be paid
23 to the District, which shall be the amount (not including
24 credit memoranda and not including taxes and penalties
25 collected on aviation fuel sold on or after December 1, 2019
26 that are deposited into the Local Government Aviation Trust

1 Fund) collected under this Section during the second preceding
2 calendar month by the Department plus an amount the Department
3 determines is necessary to offset any amounts that were
4 erroneously paid to a different taxing body, and not including
5 any amount equal to the amount of refunds made during the
6 second preceding calendar month by the Department on behalf of
7 the District, and not including any amount that the Department
8 determines is necessary to offset any amounts that were
9 payable to a different taxing body but were erroneously paid
10 to the District, and less any amounts that are transferred to

11 the STAR Bonds Revenue Fund, less 1.5% of the remainder, which
12 the Department shall transfer into the Tax Compliance and
13 Administration Fund. The Department, at the time of each
14 monthly disbursement to the District, shall prepare and
15 certify to the State Comptroller the amount to be transferred
16 into the Tax Compliance and Administration Fund under this
17 subsection. Within 10 days after receipt by the Comptroller of
18 the certification of the amount to be paid to the District and
19 the Tax Compliance and Administration Fund, the Comptroller
20 shall cause an order to be drawn for payment for the amount in
21 accordance with the direction in the certification.

22 (Source: P.A. 103-592, eff. 1-1-25; 104-6, eff. 1-1-26.)

ARTICLE 110

23

24 Section 110-5. The Tobacco Products Tax Act of 1995 is

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1 amended by changing Sections 10-5, 10-10, 10-25, 10-30, 10-35,
2 10-37, 10-38, 10-45, and 10-50 and by adding Section 10-24 as
3 follows:

4 (35 ILCS 143/10-5)

5 Sec. 10-5. Definitions. For purposes of this Act:

6 "Actual cost" means the actual price paid for each
7 individual SKU by a distributor or a remote retail seller
8 before any stated discounts or rebates.

9 "Actual cost list" means the average actual price paid for
10 a SKU by a distributor or a remote retail seller, before any
11 stated discounts or rebates, to a manufacturer, wholesaler, or
12 distributor during the calendar year immediately preceding the
13 calendar year in which the sale occurs.

14 "Alternative nicotine product" means a product that does
15 not consist of or contain tobacco and that provides for the
16 ingestion into the body of nicotine, whether by chewing,
17 smoking, absorbing, dissolving, snorting, or sniffing.

18 "Alternative nicotine product" does not include electronic
19 cigarettes, as defined in this Act, or any product that is
20 approved by the United States Food and Drug Administration for
21 sale as a tobacco cessation product, as a tobacco dependence

22 product, or for other medical purposes and that is being
23 marketed and sold solely for that approved purpose.
24 "Business" means any trade, occupation, activity, or
25 enterprise engaged in, at any location whatsoever, for the

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1 purpose of selling tobacco products.
2 "Cigar" means any roll of tobacco wrapped in leaf tobacco
3 or in any substance containing tobacco. "Cigar" does not
4 include a little cigar or any roll of tobacco that is
5 classified as a cigarette within the meaning of Section 1 of
6 the Cigarette Tax Act.
7 "Cigarette" has the meaning ascribed to the term in
8 Section 1 of the Cigarette Tax Act.
9 "Contraband little cigar" means:
10 (1) packages of little cigars containing 20 or 25
11 little cigars that do not bear a required tax stamp under
12 this Act;
13 (2) packages of little cigars containing 20 or 25
14 little cigars that bear a fraudulent, imitation, or
15 counterfeit tax stamp;
16 (3) packages of little cigars containing 20 or 25
17 little cigars that are improperly tax stamped, including
18 packages of little cigars that bear only a tax stamp of
19 another state or taxing jurisdiction; or
20 (4) packages of little cigars containing other than 20
21 or 25 little cigars in the possession of a distributor,
22 retailer, or wholesaler, unless the distributor, retailer,
23 or wholesaler possesses, or produces within the time frame
24 provided in Section 10-27 or 10-28 of this Act, an invoice
25 from a stamping distributor, distributor, or wholesaler
26 showing that the tax on the packages has been or will be

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1 paid.
2 "Consumer" means a person who acquires ownership of

3 tangible personal property, including tobacco products, for
4 use or consumption in this State and not for resale.

5 "Correctional Industries program" means a program run by a
6 State penal institution in which residents of the penal
7 institution produce tobacco products for sale to persons
8 incarcerated in penal institutions or resident patients of a
9 State-operated ~~State-operated~~ mental health facility.

10 "Department" means the Illinois Department of Revenue.

11 "Distributor" means any of the following:

12 (1) Any manufacturer or wholesaler in this State
13 engaged in the business of selling tobacco products who
14 sells, exchanges, or distributes tobacco products to
15 retailers or consumers in this State.

16 (2) Any manufacturer or wholesaler engaged in the
17 business of selling tobacco products from without this
18 State who sells, exchanges, distributes, ships, or
19 transports tobacco products to retailers or consumers
20 located in this State, so long as that manufacturer or
21 wholesaler has or maintains within this State, directly or
22 by subsidiary, an office, sales house, or other place of
23 business, or any agent or other representative operating
24 within this State under the authority of the person or
25 subsidiary, irrespective of whether the place of business
26 or agent or other representative is located here

1 permanently or temporarily.

2 (3) Any retailer who receives tobacco products on
3 which the tax has not been or will not be paid by another
4 distributor.

5 "Distributor" does not include any person, wherever
6 resident or located, who makes, manufactures, or fabricates
7 tobacco products as part of a Correctional Industries program
8 for sale to residents incarcerated in penal institutions or
9 resident patients of a State-operated ~~State-operated~~ mental
10 health facility.

11 "Electronic cigarette" means:

12 (1) any device that employs a battery or other
13 mechanism to heat a solution or substance to produce a
14 vapor or aerosol intended for inhalation, except for (A)

15 any device designed solely for use with cannabis that
16 contains a statement on the retail packaging that the
17 device is designed solely for use with cannabis and not
18 for use with tobacco or (B) any device that contains a
19 solution or substance that contains cannabis subject to
20 tax under the Compassionate Use of Medical Cannabis
21 Program Act or the Cannabis Regulation and Tax Act;
22 (2) any cartridge or container of a solution or
23 substance intended to be used with or in the device or to
24 refill the device, except for any cartridge or container
25 of a solution or substance that contains cannabis subject
26 to tax under the Compassionate Use of Medical Cannabis

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1 Program Act or the Cannabis Regulation and Tax Act; or
2 (3) any solution or substance, whether or not it
3 contains nicotine, intended for use in the device, except
4 for any solution or substance that contains cannabis
5 subject to tax under the Compassionate Use of Medical
6 Cannabis Program Act or the Cannabis Regulation and Tax
7 Act.

8 The changes made to the definition of "electronic
9 cigarette" by this amendatory Act of the 102nd General
10 Assembly apply on and after June 28, 2019, but no claim for
11 credit or refund is allowed on or after the effective date of
12 this amendatory Act of the 102nd General Assembly for such
13 taxes paid during the period beginning June 28, 2019 and the
14 effective date of this amendatory Act of the 102nd General
15 Assembly.

16 "Electronic cigarette" includes, but is not limited to,
17 any electronic nicotine delivery system, electronic cigar,
18 electronic cigarillo, electronic pipe, electronic hookah, vape
19 pen, or similar product or device, and any component or part
20 that can be used to build the product or device. "Electronic
21 cigarette" does not include: cigarettes, as defined in Section
22 1 of the Cigarette Tax Act; any product approved by the United
23 States Food and Drug Administration for sale as a tobacco
24 cessation product, a tobacco dependence product, or for other
25 medical purposes that is marketed and sold solely for that
26 approved purpose; any asthma inhaler prescribed by a physician

1 for that condition that is marketed and sold solely for that
2 approved purpose; or any therapeutic product approved for use
3 under the Compassionate Use of Medical Cannabis Program Act.

4 "Little cigar" means and includes any roll, made wholly or
5 in part of tobacco, where such roll has an integrated
6 cellulose acetate filter and weighs less than 4 pounds per
7 thousand and the wrapper or cover of which is made in whole or
8 in part of tobacco.

9 "Manufacturer" means any person, wherever resident or
10 located, who manufactures and sells tobacco products, except a
11 person who makes, manufactures, or fabricates tobacco products
12 as a part of a Correctional Industries program for sale to
13 persons incarcerated in penal institutions or resident
14 patients of a State-operated ~~State-operated~~ mental health
15 facility.

16 Beginning on January 1, 2013, "moist snuff" means any
17 finely cut, ground, or powdered tobacco that is not intended
18 to be smoked, but shall not include any finely cut, ground, or
19 powdered tobacco that is intended to be placed in the nasal
20 cavity.

21 "Nicotine" means any form of the chemical nicotine,
22 including any salt or complex, regardless of whether the
23 chemical is naturally or synthetically derived, and includes
24 nicotinic alkaloids and nicotine analogs.

25 "Person" means any natural individual, firm, partnership,
26 association, joint stock company, joint venture, limited

1 liability company, or public or private corporation, however
2 formed, or a receiver, executor, administrator, trustee,
3 conservator, or other representative appointed by order of any
4 court.

5 "Pipe tobacco" means any tobacco that, because of its
6 appearance, type, packaging, or labeling, is suitable for use

7 in a pipe and is likely to be offered to or purchased by a
8 consumer as tobacco to be smoked in a pipe.

9 "Place of business" means and includes any place where
10 tobacco products are sold or where tobacco products are
11 manufactured, stored, or kept for the purpose of sale or
12 consumption, including any vessel, vehicle, airplane, train,
13 or vending machine.

14 "Prior continuous compliance taxpayer" means any person
15 who is licensed under this Act and who, having been a licensee
16 for a continuous period of 2 years, is determined by the
17 Department not to have been either delinquent or deficient in
18 the payment of tax liability during that period or otherwise
19 in violation of this Act. "Prior continuous compliance
20 taxpayer" also means any taxpayer who has, as verified by the
21 Department, continuously complied with the condition of his
22 bond or other security under provisions of this Act for a
23 period of 2 consecutive years. In calculating the consecutive
24 period of time described in this definition for qualification
25 as a prior continuous compliance taxpayer, a consecutive
26 period of time of qualifying compliance immediately prior to

1 the effective date of this amendatory Act of the 103rd General
2 Assembly shall be credited to any licensee who became licensed
3 on or before the effective date of this amendatory Act of the
4 103rd General Assembly. A distributor that is a prior
5 continuous compliance taxpayer and becomes a successor to a
6 distributor as the result of an acquisition, merger, or
7 consolidation of that distributor shall be deemed to be a
8 prior continuous compliance taxpayer with respect to the
9 acquired, merged, or consolidated entity.

10 "Remote retail sale" means a sale by a remote retail
11 seller of cigars, pipe tobacco, or alternative nicotine
12 products to a consumer in this State when:

13 (1) the buyer submits the order for the sale by means
14 of a telephone or other method of voice transmission, by
15 first-class mail, or by using the Internet or other online
16 service, or if the seller is otherwise not in the physical
17 presence of the buyer when the request for purchase or
18 order is made; or

19 (2) the cigars, pipe tobacco, or alternative nicotine
20 products are delivered to the buyer by common carrier,
21 private delivery service, or other method of remote
22 delivery, or the seller is not in the physical presence of
23 the buyer when the buyer obtains possession of the cigars,
24 pipe tobacco, or alternative nicotine products.

25 "Remote retail seller" means a person located outside of
26 this State who makes remote retail sales of cigars, pipe

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1 tobacco, or alternative nicotine products, so long as that
2 person does not maintain within this State, directly or by a
3 subsidiary, an office, distribution house, sales house,
4 warehouse, or other place of business, or any agent or other
5 representative operating within this State under the authority
6 of the person or its subsidiary, irrespective of whether the
7 place of business or the agent is located here permanently or
8 temporarily or whether the person or subsidiary is licensed to
9 do business in this State.

10 "Retailer" means any person in this State engaged in the
11 business of selling tobacco products to consumers in this
12 State, regardless of quantity or number of sales.

13 "Sale" means any transfer, exchange, or barter in any
14 manner or by any means whatsoever for a consideration and
15 includes all sales made by persons.

16 "Stamp" or "stamps" mean the indicia required to be
17 affixed on a package of little cigars that evidence payment of
18 the tax on packages of little cigars containing 20 or 25 little
19 cigars under Section 10-10 of this Act. These stamps shall be
20 the same stamps used for cigarettes under the Cigarette Tax
21 Act.

22 "Stamping distributor" means a distributor licensed under
23 this Act and also licensed as a distributor under the
24 Cigarette Tax Act or Cigarette Use Tax Act.

25 "Stock-keeping unit" or "SKU" means the unique identifier
26 assigned by a manufacturer, distributor, or remote retail

1 seller to various tobacco products in order to track
2 inventory.

3 "Tobacco products" means any product that is made from or
4 derived from tobacco that is intended for human consumption or
5 is likely to be consumed, including but not limited to cigars,
6 including little cigars; cheroots; stogies; periques;
7 granulated, plug cut, crimp cut, ready rubbed, and other
8 smoking tobacco; snuff (including moist snuff) and snuff
9 flour; cavendish; plug and twist tobacco; fine-cut and other
10 chewing tobaccos; shorts; refuse scraps, clippings, cuttings,
11 and ~~sweepings~~ ~~sweeping~~ of tobacco; snus; shisha and tobacco
12 for use in waterpipes; and other kinds and forms of tobacco,
13 prepared in such manner as to be suitable for chewing or
14 smoking in a pipe or otherwise, or both for chewing and smoking
15 or for inhalation, absorption, or ingesting by any other
16 means; but does not include cigarettes as defined in Section 1
17 of the Cigarette Tax Act or tobacco purchased for the
18 manufacture of cigarettes by cigarette distributors and
19 manufacturers defined in the Cigarette Tax Act and persons who
20 make, manufacture, or fabricate cigarettes as a part of a
21 Correctional Industries program for sale to residents
22 incarcerated in penal institutions or resident patients of a
23 ~~State-operated~~ ~~State-operated~~ mental health facility.

24 Beginning on July 1, 2019, "tobacco products" also
25 includes electronic cigarettes.

26 Beginning July 1, 2025, "tobacco products" also includes

1 any product that is made from or derived from tobacco, or that
2 contains nicotine whether natural or synthetic, that is
3 intended for human consumption or is likely to be consumed,
4 including but not limited to nicotine pouches, lozenges, and
5 gum; and other kinds and forms of nicotine prepared in such
6 manner as to be suitable for chewing or smoking in a pipe or
7 otherwise, or both for chewing and smoking or for inhalation,
8 absorption, or ingesting by any other means.

9 "Tobacco products" does not include any product that has
10 been approved by the United States Food and Drug

11 Administration for sale as a tobacco or smoking cessation
12 product, a nicotine replacement therapy product, or for other
13 medical purposes where that product is marketed and sold
14 solely for such approved use, including but not limited to
15 spray or inhaler prescribed by a physician, chewing gum, skin
16 patches, or lozenges.

17 "Wholesale price" means the established list price for
18 which a manufacturer sells tobacco products to a distributor,
19 before the allowance of any discount, trade allowance, rebate,
20 or other reduction. In the absence of such an established list
21 price, the manufacturer's invoice price at which the
22 manufacturer sells the tobacco product to unaffiliated
23 distributors, before any discounts, trade allowances, rebates,
24 or other reductions, shall be presumed to be the wholesale
25 price.

26 "Wholesaler" means any person, wherever resident or

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1 located, engaged in the business of selling tobacco products
2 to others for the purpose of resale. "Wholesaler", when used
3 in this Act, does not include a person licensed as a
4 distributor under Section 10-20 of this Act unless expressly
5 stated in this Act.

6 (Source: P.A. 103-1001, eff. 8-9-24; 104-6, eff. 7-1-25.)

7 (35 ILCS 143/10-10)

8 Sec. 10-10. Tax imposed.

9 (a) Except as otherwise provided in this Section with
10 respect to little cigars, on the first day of the third month
11 after the month in which this Act becomes law, a tax is imposed
12 on any person engaged in business as a distributor of tobacco
13 products, as defined in Section 10-5, at the rate of:

14 (1) ~~(i)~~ 18% of the wholesale price of tobacco products
15 sold or otherwise disposed of to retailers or consumers
16 located in this State prior to July 1, 2012;

17 (2) ~~(ii)~~ 36% of the wholesale price of tobacco
18 products sold or otherwise disposed of to retailers or
19 consumers located in this State beginning on July 1, 2012
20 and through June 30, 2025; except that, beginning on
21 January 1, 2013 and through June 30, 2025, the tax on moist

22 snuff shall be imposed at a rate of \$0.30 per ounce, and a
23 proportionate tax at the like rate on all fractional parts
24 of an ounce, sold or otherwise disposed of to retailers or
25 consumers located in this State; and except that,

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1 beginning July 1, 2019 and through June 30, 2025, the tax
2 on electronic cigarettes shall be imposed at the rate of
3 15% of the wholesale price of electronic cigarettes sold
4 or otherwise disposed of to retailers or consumers located
5 in this State; and

6 (3) ~~(iii)~~ 45% of the wholesale price of tobacco
7 products, including moist snuff and electronic cigarettes,
8 sold or otherwise disposed of to retailers or consumers
9 located in this State on and after July 1, 2025 and through
10 December 31, 2026; and -

11 (4) beginning on January 1, 2027, 45% of:

12 (A) the actual cost paid by a distributor or
13 remote retail seller for the tobacco product sold or
14 otherwise disposed of to a retailer or consumer in the
15 State; or

16 (B) if documentation of the actual cost paid by a
17 distributor or remote retail seller is not available
18 due to matters beyond the distributor or remote retail
19 seller's control, the actual cost list paid by a
20 distributor or remote retail seller for the tobacco
21 product sold or otherwise disposed of to retailers or
22 consumers located in this State for which
23 documentation is not available.

24 The tax imposed under this subsection (a) is in addition
25 to all other occupation or privilege taxes imposed by the
26 State of Illinois, by any political subdivision thereof, or by

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1 any municipal corporation. However, the tax is not imposed
2 upon any activity in that business in interstate commerce or

3 otherwise, to the extent to which that activity may not, under
4 the Constitution and Statutes of the United States, be made
5 the subject of taxation by this State, and except that,
6 beginning July 1, 2013, the tax on little cigars shall be
7 imposed at the same rate, and the proceeds shall be
8 distributed in the same manner, as the tax imposed on
9 cigarettes under the Cigarette Tax Act. The tax is also not
10 imposed on sales made to the United States or any entity
11 thereof.

12 If the Department determines that the actual cost list for
13 a tobacco product is not indicative of the actual cost paid for
14 the tobacco product, then the Department may determine the
15 distributor's or remote retail seller's tax liability for the
16 tobacco product based on the distributor's or remote retail
17 seller's books and records or from information on invoices
18 obtained from the distributor's or remote retail seller's
19 suppliers.

20 (a-5) Beginning January 1, 2027, the tax imposed under
21 subsection (a) is also imposed upon persons who are engaged in
22 business as remote retail sellers of cigars, pipe tobacco, or
23 alternative nicotine products and who make sales to Illinois
24 consumers on which the tax has not been paid by a distributor,
25 if the cumulative gross receipts of the remote retail seller
26 from sales of tangible personal property to consumers in this

1 State are \$100,000 or more.

2 A remote retail seller that meets or exceeds the threshold
3 in this subsection shall be liable for taxes imposed by this
4 Act on all sales made by that remote retail seller of taxable
5 products under this Act to Illinois consumers on which the tax
6 has not been paid by a distributor.

7 The remote retail seller shall determine on a quarterly
8 basis, ending on the last day of March, June, September, and
9 December, whether it meets the threshold of this subsection
10 for the preceding 12-month period. If the remote retail seller
11 meets the threshold for a 12-month period, then the remote
12 retail seller is considered to be engaged in business as a
13 remote retail seller in this State and is required to collect
14 and remit the tax imposed under this Act and to file all

15 applicable returns for the next 12-month period. At the end of
16 that 12-month period, the remote retail seller shall determine
17 whether the remote retail seller met the threshold for the
18 preceding 12-month period. If the remote retail seller met the
19 threshold for the preceding 12-month period, the remote retail
20 seller is considered to be engaged in business as a remote
21 retail seller in this State and is required to collect and
22 remit the tax imposed under this Act and file returns for the
23 subsequent year. If, at the end of a one-year period, a remote
24 retail seller that was required to collect and remit the tax
25 imposed under this Act determines that the remote retail
26 seller did not meet the threshold during the preceding

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1 12-month period, then the remote retail seller shall certify
2 to the Department, in the form and manner required by the
3 Department, that the remote retail seller did not meet the
4 threshold during the preceding 12-month period and shall
5 subsequently determine on a quarterly basis, ending on the
6 last day of March, June, September, and December, whether the
7 remote retail seller meets the threshold for the preceding
8 12-month period.

9 (b) Notwithstanding subsection (a) of this Section,
10 stamping distributors of packages of little cigars containing
11 20 or 25 little cigars sold or otherwise disposed of in this
12 State shall remit the tax by purchasing tax stamps from the
13 Department and affixing them to packages of little cigars in
14 the same manner as stamps are purchased and affixed to
15 cigarettes under the Cigarette Tax Act, unless the stamping
16 distributor sells or otherwise disposes of those packages of
17 little cigars to another stamping distributor. Only persons
18 meeting the definition of "stamping distributor" contained in
19 Section 10-5 of this Act may affix stamps to packages of little
20 cigars containing 20 or 25 little cigars. Stamping
21 distributors may not sell or dispose of little cigars at
22 retail to consumers or users at locations where stamping
23 distributors affix stamps to packages of little cigars
24 containing 20 or 25 little cigars.

25 (c) The impact of the tax levied by this Act is imposed
26 upon distributors engaged in the business of selling tobacco

1 products to retailers or consumers in this State. Beginning
2 January 1, 2027, the impact of the tax levied by this Act is
3 also imposed upon remote retail sellers that meet the
4 threshold in subsection (a-5) of this Section. A remote retail
5 seller shall pay the tax on all sales of cigars, pipe tobacco,
6 and alternative nicotine products to consumers in this State
7 on which the tax has not been paid by a distributor. Whenever a
8 stamping distributor brings or causes to be brought into this
9 State from without this State, or purchases from without or
10 within this State, any packages of little cigars containing 20
11 or 25 little cigars upon which there are no tax stamps affixed
12 as required by this Act, for purposes of resale or disposal in
13 this State to a person not a stamping distributor, then such
14 stamping distributor shall pay the tax to the Department and
15 add the amount of the tax to the price of such packages sold by
16 such stamping distributor. Payment of the tax shall be
17 evidenced by a stamp or stamps affixed to each package of
18 little cigars containing 20 or 25 little cigars.

19 Stamping distributors paying the tax to the Department on
20 packages of little cigars containing 20 or 25 little cigars
21 sold to other distributors, wholesalers or retailers shall add
22 the amount of the tax to the price of the packages of little
23 cigars containing 20 or 25 little cigars sold by such stamping
24 distributors.

25 (d) Beginning on January 1, 2013, the tax rate imposed per
26 ounce of moist snuff may not exceed 15% of the tax imposed upon

1 a package of 20 cigarettes pursuant to the Cigarette Tax Act.
2 (d-5) Notwithstanding any other provision of this Section,
3 beginning January 1, 2027 and continuing through December 31,
4 2029, the tax per cigar sold or otherwise disposed of shall not
5 exceed \$0.75 per cigar. This subsection does not apply to
6 little cigars.

7 (e) All moneys received by the Department under this Act
8 from sales occurring prior to July 1, 2012 shall be paid into
9 the Long-Term Care Provider Fund of the State Treasury. Of the
10 moneys received by the Department from sales occurring on or
11 after July 1, 2012, except for moneys received from the tax
12 imposed on the sale of little cigars, 50% shall be paid into
13 the Long-Term Care Provider Fund and 50% shall be paid into the
14 Healthcare Provider Relief Fund. Beginning July 1, 2013, all
15 moneys received by the Department under this Act from the tax
16 imposed on little cigars shall be distributed as provided in
17 Section 2 of the Cigarette Tax Act. Of the moneys received by
18 the Department under this Act from sales occurring on or after
19 July 1, 2025, except for moneys received from the tax imposed
20 on the sale of little cigars, the first \$5,000,000 collected
21 in each fiscal year shall be paid into the Tobacco Settlement
22 Recovery Fund for tobacco health initiatives at the Department
23 of Public Health, and the remainder of the moneys collected in
24 each fiscal year shall be paid as follows: 50% shall be paid
25 into the Long-Term Care Provider Fund; and 50% shall be paid
26 into the Healthcare Provider Relief Fund.

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1 (Source: P.A. 104-6, eff. 7-1-25.)

2 (35 ILCS 143/10-24 new)

3 Sec. 10-24. Remote retail seller's license. Beginning on
4 January 1, 2027, it is unlawful for any person who meets the
5 threshold established in subsection (a-5) of Section 10-10 to
6 engage in business as a remote retail seller within the
7 meaning of this Act without first having obtained a license to
8 do so from the Department. Application for that license shall
9 be made to the Department, by electronic means, in a form
10 prescribed by the Department. Each applicant for a license
11 shall furnish to the Department, in an electronic format
12 established by the Department, the following information:

13 (1) the name and address of the applicant;

14 (2) the address of the location at which the applicant
15 proposes to engage in business as a remote retail seller
16 outside this State; and

17 (3) such other additional information as the

18 Department may lawfully require by rule.
19 Beginning on January 1, 2027, in addition to obtaining a
20 license to engage in business as a remote retail seller in this
21 State, no remote retail seller who meets the threshold
22 established in subsection (a-5) of Section 10-10 may engage in
23 business as a remote retail seller within the meaning of this
24 Act without registering under the Retailers' Occupation Tax
25 Act pursuant to Section 2a of that Act.

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1 A separate annual license shall be obtained for each place
2 of business at which a person who is required to procure a
3 remote retail seller's license under this Section proposes to
4 engage in business as a remote retail seller under this Act.
5 All licenses issued by the Department under this Section shall
6 be valid for a period not to exceed one year after issuance
7 unless sooner revoked, canceled, or suspended as provided in
8 this Act. All licenses must be renewed on an annual basis. An
9 application submitted by a remote retail seller shall include
10 an acknowledgement consenting to the jurisdiction of the
11 Department and the courts of this State concerning the
12 enforcement of this Act and any related laws, rules, and
13 regulations, including authorizing the Department of Revenue
14 to conduct inspections and audits for the purpose of ensuring
15 compliance with this Act and to issue penalties for violations
16 of this Act.

17 Each remote retail seller must perform age verification
18 through an independent, third-party age verification service
19 that compares information available from a commercially
20 available database, or aggregate of databases, that are
21 regularly used by government agencies and businesses for the
22 purpose of age and identity verification to the personal
23 information entered by the individual during the ordering
24 process that establishes that the individual is of age.

25 The following are ineligible to receive a remote retail
26 seller's license under this Act:

1 (1) a person who has been convicted of a felony under
2 any federal or State law for smuggling cigarettes or
3 tobacco products or tobacco tax evasion, if the
4 Department, after investigation and a hearing if requested
5 by the applicant, determines that such person has not been
6 sufficiently rehabilitated to warrant the public trust;

7 (2) a corporation, if any officer, manager or director
8 thereof, or any stockholder or stockholders owning in the
9 aggregate more than 5% of the stock of such corporation,
10 would not be eligible to receive a license under this Act
11 for any reason; or

12 (3) any person who is in default to the State of
13 Illinois for moneys due under this Act or any other tax Act
14 administered by the Department.

15 The Department, upon receipt of an application, in proper
16 form, from a person who is eligible to receive a remote retail
17 seller's license under this Act, shall issue to such applicant
18 a license in form as prescribed by the Department, which
19 license shall permit the applicant to which it is issued to
20 engage in business as a remote retail seller under this Act at
21 the place shown in the remote retail seller's application. No
22 license issued under this Section is transferable or
23 assignable. A person who obtains a license as a remote retail
24 seller who ceases to do business as specified in the license,
25 or who never commenced business, or whose license is suspended
26 or revoked, shall immediately surrender the license to the

1 Department.

2 The Department may, in its discretion, upon application,
3 authorize the payment of the tax imposed under Section 10-10
4 by any remote retail seller not otherwise subject to the tax
5 imposed under this Act who, to the satisfaction of the
6 Department, furnishes adequate security to ensure payment of
7 the tax. The remote retail seller shall be issued, without
8 charge, a license to remit the tax. When so authorized, it
9 shall be the duty of the remote retail seller to remit the tax
10 imposed upon the actual cost or actual cost list price of the

11 cigars, pipe tobacco, or alternative nicotine products sold or
12 otherwise disposed of to consumers located in this State, in
13 the same manner and subject to the same requirements as any
14 other remote retail seller required to be licensed under this
15 Act.

16 Any person aggrieved by any decision of the Department
17 under this Section may, within 30 days after notice of the
18 decision, protest and request a hearing. Upon receiving a
19 request for a hearing, the Department shall give notice to the
20 person requesting the hearing of the time and place fixed for
21 the hearing and shall hold a hearing in conformity with the
22 provisions of this Act and then issue its final administrative
23 decision in the matter to that person. In the absence of a
24 protest and request for a hearing within 30 days, the
25 Department's decision shall become final without any further
26 determination being made or notice given.

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1 (35 ILCS 143/10-25)

2 Sec. 10-25. License actions.

3 (a) The Department may, after notice and a hearing,
4 revoke, cancel, or suspend the license of any distributor, ~~or~~
5 retailer, or remote retail seller who violates any of the
6 provisions of this Act, fails to keep books and records as
7 required under this Act, fails to make books and records
8 available for inspection upon demand by a duly authorized
9 employee of the Department, or violates a rule or regulation
10 of the Department for the administration and enforcement of
11 this Act. The notice shall specify the alleged violation or
12 violations upon which the revocation, cancellation, or
13 suspension proceeding is based.

14 (a-5) The Department may, after notice and a hearing,
15 revoke, cancel, or suspend the license of a distributor or
16 remote retail seller that fails to properly register and remit
17 tax under the Retailers' Occupation Tax Act for all tobacco
18 products that are sold to consumers in this State.

19 (a-10) The Department may, after notice and a hearing,
20 revoke, cancel, or suspend the license of a distributor or
21 remote retail seller who is found in violation of any law,

22 rule, or regulation of the state where the business is located
23 as listed on the license issued by the Department. The notice
24 shall specify the alleged violation or violations upon which
25 the revocation, cancellation, or suspension proceeding is

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1 based.

2 (b) The Department may revoke, cancel, or suspend the
3 license of any distributor or remote retail seller for a
4 violation of the Tobacco Products Manufacturers' Escrow
5 Enforcement Act of 2003 as provided in Section 30 of that Act.

6 (c) If the retailer or remote retail seller has a training
7 program that facilitates compliance with minimum-age tobacco
8 laws, the Department shall suspend for 3 days the license of
9 that retailer or remote retail seller for a fourth or
10 subsequent violation of the Prevention of Tobacco Use by
11 Persons under 21 Years of Age and Sale and Distribution of
12 Tobacco Products Act, as provided in subsection (a) of Section
13 2 of that Act. For the purposes of this Section, any violation
14 of subsection (a) of Section 2 of the Prevention of Tobacco Use
15 by Persons under 21 Years of Age and Sale and Distribution of
16 Tobacco Products Act occurring at the retailer's or remote
17 retail seller's licensed location, during a 24-month period,
18 shall be counted as a violation against the retailer or remote
19 retail seller.

20 If the retailer or remote retail seller does not have a
21 training program that facilitates compliance with minimum-age
22 tobacco laws, the Department shall suspend for 3 days the
23 license of that retailer or remote retail seller for a second
24 violation of the Prevention of Tobacco Use by Persons under 21
25 Years of Age and Sale and Distribution of Tobacco Products
26 Act, as provided in subsection (a-5) of Section 2 of that Act.

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1 If the retailer or remote retail seller does not have a
2 training program that facilitates compliance with minimum-age

3 tobacco laws, the Department shall suspend for 7 days the
4 license of that retailer or remote retail seller for a third
5 violation of the Prevention of Tobacco Use by Persons under 21
6 Years of Age and Sale and Distribution of Tobacco Products
7 Act, as provided in subsection (a-5) of Section 2 of that Act.

8 If the retailer or remote retail seller does not have a
9 training program that facilitates compliance with minimum-age
10 tobacco laws, the Department shall suspend for 30 days the
11 license of a retailer or remote retail seller for a fourth or
12 subsequent violation of the Prevention of Tobacco Use by
13 Persons under 21 Years of Age and Sale and Distribution of
14 Tobacco Products Act, as provided in subsection (a-5) of
15 Section 2 of that Act.

16 A training program that facilitates compliance with
17 minimum-age tobacco laws must include at least the following
18 elements: (i) it must explain that only individuals displaying
19 valid identification demonstrating that they are 21 years of
20 age or older shall be eligible to purchase cigarettes or
21 tobacco products and (ii) it must explain where a clerk can
22 check identification for a date of birth. The training may be
23 conducted electronically. Each retailer or remote retail
24 seller that has a training program shall require each employee
25 who completes the training program to sign a form attesting
26 that the employee has received and completed tobacco training.

1 The form shall be kept in the employee's file and may be used
2 to provide proof of training.

3 (d) The Department may, by application to any circuit
4 court, obtain an injunction restraining any person who engages
5 in business as a distributor or remote retail seller of
6 tobacco products without a license (either because his or her
7 license has been revoked, canceled, or suspended or because of
8 a failure to obtain a license in the first instance) from
9 engaging in that business until that person, as if that person
10 were a new applicant for a license, complies with all of the
11 conditions, restrictions, and requirements of Section ~~10-20~~ or
12 10-24 of this Act and qualifies for and obtains a license.
13 Refusal or neglect to obey the order of the court may result in
14 punishment for contempt.

15 (Source: P.A. 104-6, eff. 6-16-25.)

16 (35 ILCS 143/10-30)

17 Sec. 10-30. Returns.

18 (a) Every distributor shall, on or before the 15th day of
19 each month, file a return with the Department covering the
20 preceding calendar month. Through June 30, 2025, the return
21 shall disclose the wholesale price for all tobacco products
22 other than moist snuff and the quantity in ounces of moist
23 snuff sold or otherwise disposed of and other information that
24 the Department may reasonably require. Beginning July 1, 2025
25 and through December 1, 2026, the return shall disclose the

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1 wholesale price for all tobacco products, including moist
2 snuff, sold or otherwise disposed of and other information
3 that the Department may reasonably require. Beginning January
4 1, 2027, the return shall disclose the actual cost or actual
5 cost list price for all tobacco products, other than little
6 cigars, sold or otherwise disposed of and other information
7 that the Department may reasonably require. Information that
8 the Department may reasonably require includes information
9 related to the uniform regulation and taxation of tobacco
10 products.

11 (a-5) Beginning February 1, 2027, every remote retail
12 seller shall, on or before the 15th day of each month, file a
13 return with the Department covering the preceding calendar
14 month. The remote retail seller's return must report all
15 cigars, pipe tobacco, or alternative nicotine products brought
16 in or caused to be brought in from outside the State or shipped
17 or transported to consumers within the State during the
18 preceding calendar month. The return must include further
19 information as the Department may prescribe and must show the
20 total actual cost or actual cost list price paid by a remote
21 retail seller for a tobacco product for the previous calendar
22 month. The return must show the amount of tax due for all
23 remote retail sales made from outside the State, to a consumer
24 within the State during the preceding calendar month. It is
25 the intent and purpose of this amendatory Act of the 104th
26 General Assembly that the remote retail seller remit the tax

1 at the time the return is filed. It is further the intent and
2 purpose of this amendatory Act of the 104th General Assembly
3 to impose the tax under this Act only once on all tobacco
4 products sold in the State.

5 (b) In addition to the information required under
6 subsection (a), on or before the 15th day of each month,
7 covering the preceding calendar month, each stamping
8 distributor shall report the quantity of little cigars sold or
9 otherwise disposed of, including the number of packages of
10 little cigars sold or disposed of during the month containing
11 20 or 25 little cigars.

12 (c) At the time when any return of any distributor is due
13 to be filed with the Department, the distributor shall also
14 remit to the Department the tax liability that the distributor
15 has incurred for transactions occurring in the preceding
16 calendar month.

17 (d) All returns and supporting schedules required to be
18 filed under this Section and all payments required to be made
19 under this Section shall be by electronic means in the form
20 prescribed by the Department.

21 (e) If any payment provided for in this Section exceeds
22 the distributor's liabilities under this Act, as shown on an
23 original return, the distributor may credit such excess
24 payment against liability subsequently to be remitted to the
25 Department under this Act, in accordance with reasonable rules
26 adopted by the Department.

1 (Source: P.A. 103-592, eff. 1-1-25; 104-6, Article 10, Section
2 10-10, eff. 7-1-25; 104-6, Article 40, Section 40-30, eff.
3 1-1-26; revised 11-19-25.)

4 (35 ILCS 143/10-35)
5 Sec. 10-35. Record keeping.

6 (a) Every distributor, as defined in Section 10-5, shall
7 keep complete and accurate records of tobacco products held,
8 purchased, manufactured, brought in or caused to be brought in
9 from without the State, and tobacco products sold, or
10 otherwise disposed of, and shall preserve and keep all
11 invoices, bills of lading, sales records, and copies of bills
12 of sale, the wholesale price, and, beginning January 1, 2027,
13 the actual cost or actual cost list price for tobacco products
14 sold or otherwise disposed of, an inventory of tobacco
15 products prepared as of December 31 of each year or as of the
16 last day of the distributor's fiscal year if the distributor
17 ~~he or she~~ files federal income tax returns on the basis of a
18 fiscal year, and other pertinent papers and documents relating
19 to the manufacture, purchase, sale, or disposition of tobacco
20 products. Every sales invoice issued by a licensed distributor
21 to a retailer in this State shall contain the distributor's
22 Tobacco Products License number unless the distributor has
23 been granted a waiver by the Department in response to a
24 written request in cases where (i) the distributor sells
25 little cigars or other tobacco products only to licensed

1 retailers that are wholly-owned by the distributor or owned by
2 a wholly-owned subsidiary of the distributor; (ii) the
3 licensed retailer obtains little cigars or other tobacco
4 products only from the distributor requesting the waiver; and
5 (iii) the distributor affixes the tax stamps to the original
6 packages of little cigars or has or will pay the tax on the
7 other tobacco products sold to the licensed retailer. The
8 distributor shall file a written request with the Department,
9 and, if the Department determines that the distributor meets
10 the conditions for a waiver, the Department shall grant the
11 waiver.

12 (b) Every retailer, as defined in Section 10-5, whether or
13 not the retailer has obtained a retailer's license pursuant to
14 Section 4g, shall keep complete and accurate records of
15 tobacco products held, purchased, sold, or otherwise disposed
16 of, and shall preserve and keep all invoices, bills of lading,
17 sales records, and copies of bills of sale, returns and other
18 pertinent papers and documents relating to the purchase, sale,

19 or disposition of tobacco products. Such records need not be
20 maintained on the licensed premises, but must be maintained in
21 the State of Illinois; however, if access is available
22 electronically, the records may be maintained out of state.
23 However, all original invoices or copies thereof covering
24 purchases of tobacco products must be retained on the licensed
25 premises for a period of 90 days after such purchase, unless
26 the Department has granted a waiver in response to a written

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1 request in cases where records are kept at a central business
2 location within the State of Illinois or in cases where
3 records that are available electronically are maintained out
4 of state. The Department shall adopt rules regarding the
5 eligibility for a waiver, revocation of a waiver, and
6 requirements and standards for maintenance and accessibility
7 of records located at a central location out-of-State pursuant
8 to a waiver provided under this Section.

9 (b-5) Every remote retail seller, as defined in Section
10 10-5 shall keep complete and accurate records of tobacco
11 products held, purchased, sold, or otherwise disposed of and
12 shall preserve and keep all invoices, bills of lading, sales
13 records, and copies of bills of sale, returns and other
14 pertinent papers and documents relating to the purchase, sale,
15 or disposition of tobacco products. Such records must be on
16 the remote retail seller's premises but need not be maintained
17 in the State of Illinois; however, remote retail sellers shall
18 also provide access electronically. However, all original
19 invoices or copies thereof covering purchases of tobacco
20 products must be retained on the remote retail seller's
21 premises until the expiration of the period with respect to
22 which the Department is authorized to issue a notice of tax
23 liability.

24 (c) Books, records, papers, and documents that are
25 required by this Act to be kept shall, at all times during the
26 usual business hours of the day, be subject to inspection by

1 the Department or its duly authorized agents and employees.
2 The books, records, papers, and documents for any period with
3 respect to which the Department is authorized to issue a
4 notice of tax liability shall be preserved until the
5 expiration of that period.

6 (Source: P.A. 99-192, eff. 1-1-16; 100-940, eff. 8-17-18.)

7 (35 ILCS 143/10-37)

8 Sec. 10-37. Proof of payment of tax imposed by this Act.
9 Every licensed distributor of tobacco products in this State
10 is required to show proof of the tax having been paid as
11 required by this Act by displaying its Tobacco Products
12 License number on every sales invoice issued to a retailer in
13 this State. Every licensed remote retail seller of tobacco
14 products in this State is required to show proof of the tax
15 having been paid as required by this Act by displaying its
16 Tobacco Products License number on every sales invoice issued
17 to a consumer in this State. No retailer shall possess tobacco
18 products without either a proper invoice indicating that the
19 tobacco products tax was paid by a distributor for the tobacco
20 products in the retailer's possession or other proof that the
21 tax was paid by the retailer if it has purchased tobacco
22 products on which tax has not been paid as required by this
23 Act. Failure to comply with the provisions of this paragraph
24 may be grounds for revocation of a distributor's, remote
25 retail seller's, or retailer's license in accordance with

1 Section 10-25 of this Act or Section 6 of the Cigarette Tax
2 Act. In addition, the Department may impose a civil penalty
3 not to exceed \$1,000 for the first violation and \$3,000 for
4 each subsequent violation, which shall be deposited into the
5 Tax Compliance and Administration Fund.

6 (Source: P.A. 100-940, eff. 8-17-18.)

7 (35 ILCS 143/10-38)

8 Sec. 10-38. Presumption for unlicensed distributors,
9 remote retail sellers, or persons. Whenever any person obtains

10 tobacco products from an unlicensed in-state or out-of-state
11 distributor, remote retail seller, or person, a prima facie
12 presumption shall arise that the tax imposed by this Act on
13 such tobacco products has not been paid in violation of this
14 Act. Invoices or other documents kept in the normal course of
15 business in the possession of a person reflecting purchases of
16 tobacco products from an unlicensed in-state or out-of-state
17 distributor, remote retail seller, or person or invoices or
18 other documents kept in the normal course of business obtained
19 by the Department from in-state or out-of-state distributors, remote retail sellers, or persons, are sufficient to raise the
20 presumption that the tax imposed by this Act has not been paid.
21 If a presumption is raised, the Department may assess tax,
22 penalty, and interest on the tobacco products. In addition,
23 any person who violates this Section is liable to pay to the
24 Department, for deposit in the Tax Compliance and
25

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1 Administration Fund, a penalty of \$1,000 for the first
2 violation and \$3,000 for any subsequent violation. The
3 Department may adopt rules to administer the penalties under
4 this Section.

5 (Source: P.A. 100-940, eff. 8-17-18.)

6 (35 ILCS 143/10-45)

7 Sec. 10-45. Incorporation by reference. All of the
8 provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~,
9 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11, 11a, and 12 of the
10 Retailers' Occupation Tax Act, and all applicable provisions
11 of the Uniform Penalty and Interest Act that are not
12 inconsistent with this Act, apply to distributors and remote
13 retail sellers of tobacco products to the same extent as if
14 those provisions were included in this Act. References in the
15 incorporated Sections of the Retailers' Occupation Tax Act to
16 retailers, to sellers, or to persons engaged in the business
17 of selling tangible personal property mean distributors or
18 remote retail sellers when used in this Act. References in the
19 incorporated Sections to sales of tangible personal property
20 mean sales of tobacco products when used in this Act.

21 All of the provisions of Sections 7, 8, 8a, 16, 18a, 18b,

22 18c, 22, 23, 24, 26, 27, and 28a of the Cigarette Tax Act which
23 are not inconsistent with this Act shall apply, as far as
24 practicable, to the subject matter of this Act to the same
25 extent as if those provisions were included in this Act.

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1 References in the incorporated Sections to sales of cigarettes
2 mean sales of little cigars in packages of 20 or 25 little
3 cigars.

4 (Source: P.A. 98-273, eff. 8-9-13.)

5 (35 ILCS 143/10-50)

6 Sec. 10-50. Violations and penalties. When the amount due
7 is under \$300, any distributor or remote retail seller who
8 fails to file a return, willfully fails or refuses to make any
9 payment to the Department of the tax imposed by this Act, or
10 files a fraudulent return, or any officer or agent of a
11 corporation engaged in the business of distributing or
12 engaging in remote retail sales of tobacco products to
13 retailers or ~~and~~ consumers located in this State who signs a
14 fraudulent return filed on behalf of the corporation, or any
15 accountant or other agent who knowingly enters false
16 information on the return of any taxpayer under this Act is
17 guilty of a Class 4 felony.

18 Any person who violates any provision of Section 10-20,
19 10-21, ~~or~~ 10-22, or 10-24 of this Act, fails to keep books and
20 records as required under this Act, or willfully violates a
21 rule or regulation of the Department for the administration
22 and enforcement of this Act is guilty of a Class 4 felony. A
23 person commits a separate offense on each day that he or she
24 engages in business in violation of Section 10-20, 10-21, ~~or~~
25 10-22, or 10-24 of this Act. If a person fails to produce the

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1 books and records for inspection by the Department upon
2 request, a prima facie presumption shall arise that the person

3 has failed to keep books and records as required under this
4 Act. A person who is unable to rebut this presumption is in
5 violation of this Act and is subject to the penalties provided
6 in this Section.

7 When the amount due is under \$300, any person who accepts
8 money that is due to the Department under this Act from a
9 taxpayer for the purpose of acting as the taxpayer's agent to
10 make the payment to the Department, but who fails to remit the
11 payment to the Department when due, is guilty of a Class 4
12 felony.

13 Any person who violates any provision of Sections 10-20,
14 10-21 and 10-22 of this Act, fails to keep books and records as
15 required under this Act, or willfully violates a rule or
16 regulation of the Department for the administration and
17 enforcement of this Act is guilty of a business offense and may
18 be fined up to \$5,000. If a person fails to produce books and
19 records for inspection by the Department upon request, a prima
20 facie presumption shall arise that the person has failed to
21 keep books and records as required under this Act. A person who
22 is unable to rebut this presumption is in violation of this Act
23 and is subject to the penalties provided in this Section. A
24 person commits a separate offense on each day that he or she
25 engages in business in violation of Sections 10-20, 10-21 and
26 10-22 of this Act.

1 When the amount due is \$300 or more, any distributor or
2 remote retail seller who files, or causes to be filed, a
3 fraudulent return, or any officer or agent of a corporation
4 engaged in the business of distributing or engaging in remote
5 retail sales of tobacco products to retailers or and consumers
6 located in this State who files or causes to be filed or signs
7 or causes to be signed a fraudulent return filed on behalf of
8 the corporation, or any accountant or other agent who
9 knowingly enters false information on the return of any
10 taxpayer under this Act is guilty of a Class 3 felony.

11 When the amount due is \$300 or more, any person engaged in
12 the business of distributing or engaging in remote retail
13 sales of tobacco products to retailers or and consumers
14 located in this State who fails to file a return, willfully

15 fails or refuses to make any payment to the Department of the
16 tax imposed by this Act, or accepts money that is due to the
17 Department under this Act from a taxpayer for the purpose of
18 acting as the taxpayer's agent to make payment to the
19 Department but fails to remit such payment to the Department
20 when due is guilty of a Class 3 felony.

21 When the amount due is under \$300, any retailer who fails
22 to file a return, willfully fails or refuses to make any
23 payment to the Department of the tax imposed by this Act, or
24 files a fraudulent return, or any officer or agent of a
25 corporation engaged in the retail business of selling tobacco
26 products to purchasers of tobacco products for use and

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1 consumption located in this State who signs a fraudulent
2 return filed on behalf of the corporation, or any accountant
3 or other agent who knowingly enters false information on the
4 return of any taxpayer under this Act is guilty of a Class A
5 misdemeanor for a first offense and a Class 4 felony for each
6 subsequent offense.

7 When the amount due is \$300 or more, any retailer who fails
8 to file a return, willfully fails or refuses to make any
9 payment to the Department of the tax imposed by this Act, or
10 files a fraudulent return, or any officer or agent of a
11 corporation engaged in the retail business of selling tobacco
12 products to purchasers of tobacco products for use and
13 consumption located in this State who signs a fraudulent
14 return filed on behalf of the corporation, or any accountant
15 or other agent who knowingly enters false information on the
16 return of any taxpayer under this Act is guilty of a Class 4
17 felony.

18 Any person whose principal place of business is in this
19 State and who is charged with a violation under this Section
20 shall be tried in the county where his or her principal place
21 of business is located unless he or she asserts a right to be
22 tried in another venue. If the taxpayer does not have his or
23 her principal place of business in this State, however, the
24 hearing must be held in Sangamon County unless the taxpayer
25 asserts a right to be tried in another venue.

26 Any taxpayer or agent of a taxpayer who with the intent to

1 defraud purports to make a payment due to the Department by
2 issuing or delivering a check or other order upon a real or
3 fictitious depository for the payment of money, knowing that
4 it will not be paid by the depository, is guilty of a deceptive
5 practice in violation of Section 17-1 of the Criminal Code of
6 2012.

7 A prosecution for a violation described in this Section
8 may be commenced within 3 years after the commission of the act
9 constituting the violation.

10 (Source: P.A. 100-201, eff. 8-18-17; 100-940, eff. 8-17-18.)

ARTICLE 115

11

12 Section 115-5. The Liquor Control Act of 1934 is amended
13 by changing Section 8-1 as follows:

14 (235 ILCS 5/8-1)

15 Sec. 8-1. A tax is imposed upon the privilege of engaging
16 in business as a manufacturer or as an importing distributor
17 of alcoholic liquor, other than beer, at the rate of ~~\$0.185 per~~
18 ~~gallon until September 1, 2009 and \$0.231 per gallon beginning~~
19 ~~September 1, 2009~~ for cider containing not less than 0.5%
20 alcohol by volume nor more than 7% alcohol by volume, ~~\$0.73 per~~
21 ~~gallon until September 1, 2009 and \$1.39 per gallon beginning~~
22 ~~September 1, 2009~~ for alcoholic liquor containing not more
23 than 20% alcohol by volume ~~wine other than cider containing~~

1 ~~less than 7% alcohol by volume, and \$4.50 per gallon until~~
2 ~~September 1, 2009 and \$8.55 per gallon beginning September 1,~~
3 ~~2009 on alcoholic liquor containing more than 20% alcohol by~~
4 ~~volume alcohol and spirits manufactured and sold or used by~~
5 ~~such manufacturer, or as agent for any other person, or sold or~~

6 used by such importing distributor, or as agent for any other
7 person. A tax is imposed upon the privilege of engaging in
8 business as a manufacturer of beer or as an importing
9 distributor of beer at the rate of ~~\$0.185 per gallon until~~
10 ~~September 1, 2009~~ and \$0.231 per gallon beginning September 1,
11 ~~2009~~ on all beer, regardless of alcohol by volume,
12 manufactured and sold or used by such manufacturer, or as
13 agent for any other person, or sold or used by such importing
14 distributor, or as agent for any other person. Any brewer
15 manufacturing beer in this State shall be entitled to and
16 given a credit or refund of 75% of the tax imposed on each
17 gallon of beer up to 4.9 million gallons per year in any given
18 calendar year for tax paid or payable on beer produced and sold
19 in the State of Illinois.

20 For purposes of this Section, "beer" means beer, ale,
21 porter, stout, and other similar fermented beverages of any
22 name or description containing one-half of one percent or more
23 of alcohol by volume, brewed or produced from malt, wholly or
24 in part, or from any substitute for malt.

25 For the purpose of this Section, "cider" means any
26 alcoholic beverage obtained by the alcohol fermentation of the

1 juice of apples or pears including, but not limited to,
2 flavored, sparkling, or carbonated cider.

3 The credit or refund created by this Act shall apply to all
4 beer taxes in the calendar years 1982 through 1986.

5 The increases made by this amendatory Act of the 91st
6 General Assembly in the rates of taxes imposed under this
7 Section shall apply beginning on July 1, 1999.

8 A tax at the rate of 10¢ per gallon on beer and 48¢ per
9 gallon on alcohol and spirits is also imposed upon the
10 privilege of engaging in business as a retailer or as a
11 distributor who is not also an importing distributor with
12 respect to all beer and all alcohol and spirits owned or
13 possessed by such retailer or distributor when this amendatory
14 Act of 1969 becomes effective, and with respect to which the
15 additional tax imposed by this amendatory Act upon
16 manufacturers and importing distributors does not apply.
17 Retailers and distributors who are subject to the additional

18 tax imposed by this paragraph of this Section shall be
19 required to inventory such alcoholic liquor and to pay this
20 additional tax in a manner prescribed by the Department.

21 The provisions of this Section shall be construed to apply
22 to any importing distributor engaging in business in this
23 State, whether licensed or not.

24 However, such tax is not imposed upon any such business as
25 to any alcoholic liquor shipped outside Illinois by an
26 Illinois licensed manufacturer or importing distributor, nor

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1 as to any alcoholic liquor delivered in Illinois by an
2 Illinois licensed manufacturer or importing distributor to a
3 purchaser for immediate transportation by the purchaser to
4 another state into which the purchaser has a legal right,
5 under the laws of such state, to import such alcoholic liquor,
6 nor as to any alcoholic liquor other than beer sold by one
7 Illinois licensed manufacturer or importing distributor to
8 another Illinois licensed manufacturer or importing
9 distributor to the extent to which the sale of alcoholic
10 liquor other than beer by one Illinois licensed manufacturer
11 or importing distributor to another Illinois licensed
12 manufacturer or importing distributor is authorized by the
13 licensing provisions of this Act, nor to alcoholic liquor
14 whether manufactured in or imported into this State when sold
15 to a "non-beverage user" licensed by the State for use in the
16 manufacture of any of the following when they are unfit for
17 beverage purposes:

18 Patent and proprietary medicines and medicinal,
19 antiseptic, culinary and toilet preparations;

20 Flavoring extracts and syrups and food products;

21 Scientific, industrial and chemical products, excepting
22 denatured alcohol;

23 Or for scientific, chemical, experimental or mechanical
24 purposes;

25 Nor is the tax imposed upon the privilege of engaging in
26 any business in interstate commerce or otherwise, which

1 business may not, under the Constitution and Statutes of the
2 United States, be made the subject of taxation by this State.

3 The tax herein imposed shall be in addition to all other
4 occupation or privilege taxes imposed by the State of Illinois
5 or political subdivision thereof.

6 If any alcoholic liquor manufactured in or imported into
7 this State is sold to a licensed manufacturer or importing
8 distributor by a licensed manufacturer or importing
9 distributor to be used solely as an ingredient in the
10 manufacture of any beverage for human consumption, the tax
11 imposed upon such purchasing manufacturer or importing
12 distributor shall be reduced by the amount of the taxes which
13 have been paid by the selling manufacturer or importing
14 distributor under this Act as to such alcoholic liquor so used
15 to the Department of Revenue.

16 If any person received any alcoholic liquors from a
17 manufacturer or importing distributor, with respect to which
18 alcoholic liquors no tax is imposed under this Article, and
19 such alcoholic liquor shall thereafter be disposed of in such
20 manner or under such circumstances as may cause the same to
21 become the base for the tax imposed by this Article, such
22 person shall make the same reports and returns, pay the same
23 taxes and be subject to all other provisions of this Article
24 relating to manufacturers and importing distributors.

25 Nothing in this Article shall be construed to require the
26 payment to the Department of the taxes imposed by this Article

1 more than once with respect to any quantity of alcoholic
2 liquor sold or used within this State.

3 No tax is imposed by this Act on sales of alcoholic liquor
4 by Illinois licensed foreign importers to Illinois licensed
5 importing distributors.

6 Before July 1, 2025, all of the proceeds of the additional

7 tax imposed by Public Act 96-34 shall be deposited by the
8 Department into the Capital Projects Fund. The remainder of
9 the tax imposed by this Act shall be deposited by the
10 Department into the General Revenue Fund. On and after July 1,
11 2025, the proceeds from the tax imposed by this Act shall be
12 deposited as follows:

13 (1) 43% into the Capital Projects Fund; and

14 (2) 57% into the General Revenue Fund.

15 A manufacturer of beer that imports or transfers beer into
16 this State must comply with the provisions of this Section
17 with regard to the beer imported into this State.

18 The provisions of this Section 8-1 are severable under
19 Section 1.31 of the Statute on Statutes.

20 (Source: P.A. 104-6, eff. 6-16-25.)

ARTICLE 120

21

22 Section 120-5. The Illinois Income Tax Act is amended by
23 changing Section 203 as follows:

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1 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

2 Sec. 203. Base income defined.

3 (a) Individuals.

4 (1) In general. In the case of an individual, base
5 income means an amount equal to the taxpayer's adjusted
6 gross income for the taxable year as modified by paragraph
7 (2).

8 (2) Modifications. The adjusted gross income referred
9 to in paragraph (1) shall be modified by adding thereto
10 the sum of the following amounts:

11 (A) An amount equal to all amounts paid or accrued
12 to the taxpayer as interest or dividends during the
13 taxable year to the extent excluded from gross income
14 in the computation of adjusted gross income, except
15 stock dividends of qualified public utilities
16 described in Section 305(e) of the Internal Revenue
17 Code;

18 (B) An amount equal to the amount of tax imposed by

19 this Act to the extent deducted from gross income in
20 the computation of adjusted gross income for the
21 taxable year;

22 (C) An amount equal to the amount received during
23 the taxable year as a recovery or refund of real
24 property taxes paid with respect to the taxpayer's
25 principal residence under the Revenue Act of 1939 and
26 for which a deduction was previously taken under

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1 subparagraph (L) of this paragraph (2) prior to July
2 1, 1991, the retrospective application date of Article
3 4 of Public Act 87-17. In the case of multi-unit or
4 multi-use structures and farm dwellings, the taxes on
5 the taxpayer's principal residence shall be that
6 portion of the total taxes for the entire property
7 which is attributable to such principal residence;

8 (D) An amount equal to the amount of the capital
9 gain deduction allowable under the Internal Revenue
10 Code, to the extent deducted from gross income in the
11 computation of adjusted gross income;

12 (D-5) An amount, to the extent not included in
13 adjusted gross income, equal to the amount of money
14 withdrawn by the taxpayer in the taxable year from a
15 medical care savings account and the interest earned
16 on the account in the taxable year of a withdrawal
17 pursuant to subsection (b) of Section 20 of the
18 Medical Care Savings Account Act or subsection (b) of
19 Section 20 of the Medical Care Savings Account Act of
20 2000;

21 (D-10) For taxable years ending after December 31,
22 1997, an amount equal to any eligible remediation
23 costs that the individual deducted in computing
24 adjusted gross income and for which the individual
25 claims a credit under subsection (l) of Section 201;

26 (D-15) For taxable years 2001 through 2025, an

1 amount equal to the bonus depreciation deduction taken
2 on the taxpayer's federal income tax return for the
3 taxable year under subsection (k) of Section 168 of
4 the Internal Revenue Code; for taxable years 2026 and
5 thereafter, an amount equal to the bonus depreciation
6 deduction taken on the taxpayer's federal income tax
7 return for the taxable year under subsection (k) or
8 (n) of Section 168 of the Internal Revenue Code;

9 (D-16) If the taxpayer sells, transfers, abandons,
10 or otherwise disposes of property for which the
11 taxpayer was required in any taxable year to make an
12 addition modification under subparagraph (D-15), then
13 an amount equal to the aggregate amount of the
14 deductions taken in all taxable years under
15 subparagraph (Z) with respect to that property.

16 If the taxpayer continues to own property through
17 the last day of the last tax year for which a
18 subtraction is allowed with respect to that property
19 under subparagraph (Z) and for which the taxpayer was
20 allowed in any taxable year to make a subtraction
21 modification under subparagraph (Z), then an amount
22 equal to that subtraction modification.

23 The taxpayer is required to make the addition
24 modification under this subparagraph only once with
25 respect to any one piece of property;

26 (D-17) An amount equal to the amount otherwise

1 allowed as a deduction in computing base income for
2 interest paid, accrued, or incurred, directly or
3 indirectly, (i) for taxable years ending on or after
4 December 31, 2004, to a foreign person who would be a
5 member of the same unitary business group but for the
6 fact that foreign person's business activity outside
7 the United States is 80% or more of the foreign
8 person's total business activity and (ii) for taxable
9 years ending on or after December 31, 2008, to a person
10 who would be a member of the same unitary business

group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred. For taxable years ending on and after

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December 31, 2025, for purposes of applying this paragraph in the case of a taxpayer to which Section 163(j) of the Internal Revenue Code applies for the taxable year, the reduction in the amount of interest for which a deduction is allowed by reason of Section 163(j) shall be treated as allocable first to persons who are not foreign persons referred to in this paragraph and then to such foreign persons.

For taxable years ending before December 31, 2025, this paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the person, during the same taxable

23 year, paid, accrued, or incurred, the interest
24 to a person that is not a related member, and
25 (b) the transaction giving rise to the
26 interest expense between the taxpayer and the

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1 person did not have as a principal purpose the
2 avoidance of Illinois income tax, and is paid
3 pursuant to a contract or agreement that
4 reflects an arm's-length interest rate and
5 terms; or
6 (iii) the taxpayer can establish, based on
7 clear and convincing evidence, that the interest
8 paid, accrued, or incurred relates to a contract
9 or agreement entered into at arm's-length rates
10 and terms and the principal purpose for the
11 payment is not federal or Illinois tax avoidance;
12 or
13 (iv) an item of interest paid, accrued, or
14 incurred, directly or indirectly, to a person if
15 the taxpayer establishes by clear and convincing
16 evidence that the adjustments are unreasonable; or
17 if the taxpayer and the Director agree in writing
18 to the application or use of an alternative method
19 of apportionment under Section 304(f).

20 For taxable years ending on or after December 31,
21 2025, this paragraph shall not apply to the following:

22 (i) an item of interest paid, accrued, or
23 incurred, directly or indirectly, to a person if
24 the taxpayer can establish, based on a
25 preponderance of the evidence, both of the
26 following:

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1 (a) the person, during the same taxable
2 year, paid, accrued, or incurred, the interest

3 to a person that is not a related member, and
4 (b) the transaction giving rise to the
5 interest expense between the taxpayer and the
6 person did not have as a principal purpose the
7 avoidance of Illinois income tax and is paid
8 pursuant to a contract or agreement that
9 reflects an arm's-length interest rate and
10 terms; or

11 (ii) an item of interest paid, accrued, or
12 incurred, directly or indirectly, to a person if
13 the taxpayer establishes by clear and convincing
14 evidence that the adjustments are unreasonable; or
15 if the taxpayer and the Director agree in writing
16 to the application or use of an alternative method
17 of apportionment under Section 304(f).

18 Nothing in this subsection shall preclude the
19 Director from making any other adjustment otherwise
20 allowed under Section 404 of this Act for any tax year
21 beginning after the effective date of this amendment
22 provided such adjustment is made pursuant to
23 regulation adopted by the Department and such
24 regulations provide methods and standards by which the
25 Department will utilize its authority under Section
26 404 of this Act;

1 (D-18) An amount equal to the amount of intangible
2 expenses and costs otherwise allowed as a deduction in
3 computing base income, and that were paid, accrued, or
4 incurred, directly or indirectly, (i) for taxable
5 years ending on or after December 31, 2004, to a
6 foreign person who would be a member of the same
7 unitary business group but for the fact that the
8 foreign person's business activity outside the United
9 States is 80% or more of that person's total business
10 activity and (ii) for taxable years ending on or after
11 December 31, 2008, to a person who would be a member of
12 the same unitary business group but for the fact that
13 the person is prohibited under Section 1501(a)(27)
14 from being included in the unitary business group

15 because he or she is ordinarily required to apportion
16 business income under different subsections of Section
17 304. The addition modification required by this
18 subparagraph shall be reduced to the extent that
19 dividends were included in base income of the unitary
20 group for the same taxable year and received by the
21 taxpayer or by a member of the taxpayer's unitary
22 business group (including amounts included in gross
23 income under Sections 951 through 964 of the Internal
24 Revenue Code and amounts included in gross income
25 under Section 78 of the Internal Revenue Code) with
26 respect to the stock of the same person to whom the

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1 intangible expenses and costs were directly or
2 indirectly paid, incurred, or accrued. The preceding
3 sentence does not apply to the extent that the same
4 dividends caused a reduction to the addition
5 modification required under Section 203(a)(2)(D-17) of
6 this Act. As used in this subparagraph, the term
7 "intangible expenses and costs" includes (1) expenses,
8 losses, and costs for, or related to, the direct or
9 indirect acquisition, use, maintenance or management,
10 ownership, sale, exchange, or any other disposition of
11 intangible property; (2) losses incurred, directly or
12 indirectly, from factoring transactions or discounting
13 transactions; (3) royalty, patent, technical, and
14 copyright fees; (4) licensing fees; and (5) other
15 similar expenses and costs. For purposes of this
16 subparagraph, "intangible property" includes patents,
17 patent applications, trade names, trademarks, service
18 marks, copyrights, mask works, trade secrets, and
19 similar types of intangible assets.

20 For taxable years ending before December 31, 2025,
21 this paragraph shall not apply to the following:

22 (i) any item of intangible expenses or costs
23 paid, accrued, or incurred, directly or
24 indirectly, from a transaction with a person who
25 is subject in a foreign country or state, other
26 than a state which requires mandatory unitary

1 reporting, to a tax on or measured by net income
2 with respect to such item; or

3 (ii) any item of intangible expense or cost
4 paid, accrued, or incurred, directly or
5 indirectly, if the taxpayer can establish, based
6 on a preponderance of the evidence, both of the
7 following:

8 (a) the person during the same taxable
9 year paid, accrued, or incurred, the
10 intangible expense or cost to a person that is
11 not a related member, and

12 (b) the transaction giving rise to the
13 intangible expense or cost between the
14 taxpayer and the person did not have as a
15 principal purpose the avoidance of Illinois
16 income tax, and is paid pursuant to a contract
17 or agreement that reflects arm's-length terms;
18 or

19 (iii) any item of intangible expense or cost
20 paid, accrued, or incurred, directly or
21 indirectly, from a transaction with a person if
22 the taxpayer establishes by clear and convincing
23 evidence, that the adjustments are unreasonable;
24 or if the taxpayer and the Director agree in
25 writing to the application or use of an
26 alternative method of apportionment under Section

1 304(f);

2 For taxable years ending on or after December 31,
3 2025, this paragraph shall not apply to the following:

4 (i) any item of intangible expense or cost
5 paid, accrued, or incurred, directly or
6 indirectly, if the taxpayer can establish, based

7 on a preponderance of the evidence, both of the
8 following:

9 (a) the person during the same taxable
10 year paid, accrued, or incurred, the
11 intangible expense or cost to a person that is
12 not a related member, and

13 (b) the transaction giving rise to the
14 intangible expense or cost between the
15 taxpayer and the person did not have as a
16 principal purpose the avoidance of Illinois
17 income tax, and is paid pursuant to a contract
18 or agreement that reflects arm's-length terms;
19 or

20 (ii) any item of intangible expense or cost
21 paid, accrued, or incurred, directly or
22 indirectly, from a transaction with a person if
23 the taxpayer establishes by clear and convincing
24 evidence, that the adjustments are unreasonable;
25 or if the taxpayer and the Director agree in
26 writing to the application or use of an

1 alternative method of apportionment under Section
2 304(f).

3 Nothing in this subsection shall preclude the
4 Director from making any other adjustment otherwise
5 allowed under Section 404 of this Act for any tax year
6 beginning after the effective date of this amendment
7 provided such adjustment is made pursuant to
8 regulation adopted by the Department and such
9 regulations provide methods and standards by which the
10 Department will utilize its authority under Section
11 404 of this Act;

12 (D-19) For taxable years ending on or after
13 December 31, 2008, an amount equal to the amount of
14 insurance premium expenses and costs otherwise allowed
15 as a deduction in computing base income, and that were
16 paid, accrued, or incurred, directly or indirectly, to
17 a person who would be a member of the same unitary
18 business group but for the fact that the person is

19 prohibited under Section 1501(a)(27) from being
20 included in the unitary business group because he or
21 she is ordinarily required to apportion business
22 income under different subsections of Section 304. The
23 addition modification required by this subparagraph
24 shall be reduced to the extent that dividends were
25 included in base income of the unitary group for the
26 same taxable year and received by the taxpayer or by a

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1 member of the taxpayer's unitary business group
2 (including amounts included in gross income under
3 Sections 951 through 964 of the Internal Revenue Code
4 and amounts included in gross income under Section 78
5 of the Internal Revenue Code) with respect to the
6 stock of the same person to whom the premiums and costs
7 were directly or indirectly paid, incurred, or
8 accrued. The preceding sentence does not apply to the
9 extent that the same dividends caused a reduction to
10 the addition modification required under Section
11 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this
12 Act;

13 (D-20) For taxable years beginning on or after
14 January 1, 2002 and ending on or before December 31,
15 2006, in the case of a distribution from a qualified
16 tuition program under Section 529 of the Internal
17 Revenue Code, other than (i) a distribution from a
18 College Savings Pool created under Section 16.5 of the
19 State Treasurer Act or (ii) a distribution from the
20 Illinois Prepaid Tuition Trust Fund, an amount equal
21 to the amount excluded from gross income under Section
22 529(c)(3)(B). For taxable years beginning on or after
23 January 1, 2007, in the case of a distribution from a
24 qualified tuition program under Section 529 of the
25 Internal Revenue Code, other than (i) a distribution
26 from a College Savings Pool created under Section 16.5

1 of the State Treasurer Act, (ii) a distribution from
2 the Illinois Prepaid Tuition Trust Fund, or (iii) a
3 distribution from a qualified tuition program under
4 Section 529 of the Internal Revenue Code that (I)
5 adopts and determines that its offering materials
6 comply with the College Savings Plans Network's
7 disclosure principles and (II) has made reasonable
8 efforts to inform in-state residents of the existence
9 of in-state qualified tuition programs by informing
10 Illinois residents directly and, where applicable, to
11 inform financial intermediaries distributing the
12 program to inform in-state residents of the existence
13 of in-state qualified tuition programs at least
14 annually, an amount equal to the amount excluded from
15 gross income under Section 529(c)(3)(B).

16 For the purposes of this subparagraph (D-20), a
17 qualified tuition program has made reasonable efforts
18 if it makes disclosures (which may use the term
19 "in-state program" or "in-state plan" and need not
20 specifically refer to Illinois or its qualified
21 programs by name) (i) directly to prospective
22 participants in its offering materials or makes a
23 public disclosure, such as a website posting; and (ii)
24 where applicable, to intermediaries selling the
25 out-of-state program in the same manner that the
26 out-of-state program distributes its offering

1 materials;

2 (D-20.5) For taxable years beginning on or after
3 January 1, 2018, in the case of a distribution from a
4 qualified ABLE program under Section 529A of the
5 Internal Revenue Code, other than a distribution from
6 a qualified ABLE program created under Section 16.6 of
7 the State Treasurer Act, an amount equal to the amount
8 excluded from gross income under Section 529A(c)(1)(B)
9 of the Internal Revenue Code;

10 (D-21) For taxable years beginning on or after

11 January 1, 2007, in the case of transfer of moneys from
12 a qualified tuition program under Section 529 of the
13 Internal Revenue Code that is administered by the
14 State to an out-of-state program, an amount equal to
15 the amount of moneys previously deducted from base
16 income under subsection (a)(2)(Y) of this Section;

17 (D-21.5) For taxable years beginning on or after
18 January 1, 2018, in the case of the transfer of moneys
19 from a qualified tuition program under Section 529 or
20 a qualified ABLE program under Section 529A of the
21 Internal Revenue Code that is administered by this
22 State to an ABLE account established under an
23 out-of-state ABLE account program, an amount equal to
24 the contribution component of the transferred amount
25 that was previously deducted from base income under
26 subsection (a)(2)(Y) or subsection (a)(2)(HH) of this

1 Section;

2 (D-22) For taxable years beginning on or after
3 January 1, 2009, and prior to January 1, 2018, in the
4 case of a nonqualified withdrawal or refund of moneys
5 from a qualified tuition program under Section 529 of
6 the Internal Revenue Code administered by the State
7 that is not used for qualified expenses at an eligible
8 education institution, an amount equal to the
9 contribution component of the nonqualified withdrawal
10 or refund that was previously deducted from base
11 income under subsection (a)(2)(y) of this Section,
12 provided that the withdrawal or refund did not result
13 from the beneficiary's death or disability. For
14 taxable years beginning on or after January 1, 2018:
15 (1) in the case of a nonqualified withdrawal or
16 refund, as defined under Section 16.5 of the State
17 Treasurer Act, of moneys from a qualified tuition
18 program under Section 529 of the Internal Revenue Code
19 administered by the State, an amount equal to the
20 contribution component of the nonqualified withdrawal
21 or refund that was previously deducted from base
22 income under subsection (a)(2)(Y) of this Section, and

23 (2) in the case of a nonqualified withdrawal or refund
24 from a qualified ABLE program under Section 529A of
25 the Internal Revenue Code administered by the State
26 that is not used for qualified disability expenses, an

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1 amount equal to the contribution component of the
2 nonqualified withdrawal or refund that was previously
3 deducted from base income under subsection (a)(2)(HH)
4 of this Section;

5 (D-23) An amount equal to the credit allowable to
6 the taxpayer under Section 218(a) of this Act,
7 determined without regard to Section 218(c) of this
8 Act;

9 (D-24) For taxable years ending on or after
10 December 31, 2017, an amount equal to the deduction
11 allowed under Section 199 of the Internal Revenue Code
12 for the taxable year;

13 (D-25) In the case of a resident, an amount equal
14 to the amount of tax for which a credit is allowed
15 pursuant to Section 201(p)(7) of this Act;

16 (D-26) For taxable years ending on and after
17 December 31, 2026, an amount equal to the amount of
18 gain excluded from gross income under Section 1202 of
19 the Internal Revenue Code;

20 and by deducting from the total so obtained the sum of the
21 following amounts:

22 (E) For taxable years ending before December 31,
23 2001, any amount included in such total in respect of
24 any compensation (including but not limited to any
25 compensation paid or accrued to a serviceman while a
26 prisoner of war or missing in action) paid to a

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1 resident by reason of being on active duty in the Armed
2 Forces of the United States and in respect of any

3 compensation paid or accrued to a resident who as a
4 governmental employee was a prisoner of war or missing
5 in action, and in respect of any compensation paid to a
6 resident in 1971 or thereafter for annual training
7 performed pursuant to Sections 502 and 503, Title 32,
8 United States Code as a member of the Illinois
9 National Guard or, beginning with taxable years ending
10 on or after December 31, 2007, the National Guard of
11 any other state. For taxable years ending on or after
12 December 31, 2001, any amount included in such total
13 in respect of any compensation (including but not
14 limited to any compensation paid or accrued to a
15 serviceman while a prisoner of war or missing in
16 action) paid to a resident by reason of being a member
17 of any component of the Armed Forces of the United
18 States and in respect of any compensation paid or
19 accrued to a resident who as a governmental employee
20 was a prisoner of war or missing in action, and in
21 respect of any compensation paid to a resident in 2001
22 or thereafter by reason of being a member of the
23 Illinois National Guard or, beginning with taxable
24 years ending on or after December 31, 2007, the
25 National Guard of any other state. The provisions of
26 this subparagraph (E) are exempt from the provisions

1 of Section 250;

2 (F) An amount equal to all amounts included in
3 such total pursuant to the provisions of Sections
4 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and
5 408 of the Internal Revenue Code, or included in such
6 total as distributions under the provisions of any
7 retirement or disability plan for employees of any
8 governmental agency or unit, or retirement payments to
9 retired partners, which payments are excluded in
10 computing net earnings from self employment by Section
11 1402 of the Internal Revenue Code and regulations
12 adopted pursuant thereto;

13 (G) The valuation limitation amount;

14 (H) An amount equal to the amount of any tax

15 imposed by this Act which was refunded to the taxpayer
16 and included in such total for the taxable year;

17 (I) An amount equal to all amounts included in
18 such total pursuant to the provisions of Section 111
19 of the Internal Revenue Code as a recovery of items
20 previously deducted from adjusted gross income in the
21 computation of taxable income;

22 (J) An amount equal to those dividends included in
23 such total which were paid by a corporation which
24 conducts business operations in a River Edge
25 Redevelopment Zone or zones created under the River
26 Edge Redevelopment Zone Act, and conducts

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1 substantially all of its operations in a River Edge
2 Redevelopment Zone or zones. This subparagraph (J) is
3 exempt from the provisions of Section 250;

4 (K) An amount equal to those dividends included in
5 such total that were paid by a corporation that
6 conducts business operations in a federally designated
7 Foreign Trade Zone or Sub-Zone and that is designated
8 a High Impact Business located in Illinois; provided
9 that dividends eligible for the deduction provided in
10 subparagraph (J) of paragraph (2) of this subsection
11 shall not be eligible for the deduction provided under
12 this subparagraph (K);

13 (L) For taxable years ending after December 31,
14 1983, an amount equal to all social security benefits
15 and railroad retirement benefits included in such
16 total pursuant to Sections 72(r) and 86 of the
17 Internal Revenue Code;

18 (M) With the exception of any amounts subtracted
19 under subparagraph (N), an amount equal to the sum of
20 all amounts disallowed as deductions by (i) Sections
21 171(a)(2) and 265(a)(2) of the Internal Revenue Code,
22 and all amounts of expenses allocable to interest and
23 disallowed as deductions by Section 265(a)(1) of the
24 Internal Revenue Code; and (ii) for taxable years
25 ending on or after August 13, 1999, Sections
26 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the

1 Internal Revenue Code, plus, for taxable years ending
2 on or after December 31, 2011, Section 45G(e)(3) of
3 the Internal Revenue Code and, for taxable years
4 ending on or after December 31, 2008, any amount
5 included in gross income under Section 87 of the
6 Internal Revenue Code; the provisions of this
7 subparagraph are exempt from the provisions of Section
8 250;

9 (N) An amount equal to all amounts included in
10 such total which are exempt from taxation by this
11 State either by reason of its statutes or Constitution
12 or by reason of the Constitution, treaties or statutes
13 of the United States; provided that, in the case of any
14 statute of this State that exempts income derived from
15 bonds or other obligations from the tax imposed under
16 this Act, the amount exempted shall be the interest
17 net of bond premium amortization;

18 (O) An amount equal to any contribution made to a
19 job training project established pursuant to the Tax
20 Increment Allocation Redevelopment Act;

21 (P) An amount equal to the amount of the deduction
22 used to compute the federal income tax credit for
23 restoration of substantial amounts held under claim of
24 right for the taxable year pursuant to Section 1341 of
25 the Internal Revenue Code or of any itemized deduction
26 taken from adjusted gross income in the computation of

1 taxable income for restoration of substantial amounts
2 held under claim of right for the taxable year;

3 (Q) An amount equal to any amounts included in
4 such total, received by the taxpayer as an
5 acceleration in the payment of life, endowment or
6 annuity benefits in advance of the time they would

7 otherwise be payable as an indemnity for a terminal
8 illness;

9 (R) An amount equal to the amount of any federal or
10 State bonus paid to veterans of the Persian Gulf War;

11 (S) An amount, to the extent included in adjusted
12 gross income, equal to the amount of a contribution
13 made in the taxable year on behalf of the taxpayer to a
14 medical care savings account established under the
15 Medical Care Savings Account Act or the Medical Care
16 Savings Account Act of 2000 to the extent the
17 contribution is accepted by the account administrator
18 as provided in that Act;

19 (T) An amount, to the extent included in adjusted
20 gross income, equal to the amount of interest earned
21 in the taxable year on a medical care savings account
22 established under the Medical Care Savings Account Act
23 or the Medical Care Savings Account Act of 2000 on
24 behalf of the taxpayer, other than interest added
25 pursuant to item (D-5) of this paragraph (2);

26 (U) For one taxable year beginning on or after

1 January 1, 1994, an amount equal to the total amount of
2 tax imposed and paid under subsections (a) and (b) of
3 Section 201 of this Act on grant amounts received by
4 the taxpayer under the Nursing Home Grant Assistance
5 Act during the taxpayer's taxable years 1992 and 1993;

6 (V) Beginning with tax years ending on or after
7 December 31, 1995 and ending with tax years ending on
8 or before December 31, 2004, an amount equal to the
9 amount paid by a taxpayer who is a self-employed
10 taxpayer, a partner of a partnership, or a shareholder
11 in a Subchapter S corporation for health insurance or
12 long-term care insurance for that taxpayer or that
13 taxpayer's spouse or dependents, to the extent that
14 the amount paid for that health insurance or long-term
15 care insurance may be deducted under Section 213 of
16 the Internal Revenue Code, has not been deducted on
17 the federal income tax return of the taxpayer, and
18 does not exceed the taxable income attributable to

19 that taxpayer's income, self-employment income, or
20 Subchapter S corporation income; except that no
21 deduction shall be allowed under this item (V) if the
22 taxpayer is eligible to participate in any health
23 insurance or long-term care insurance plan of an
24 employer of the taxpayer or the taxpayer's spouse. The
25 amount of the health insurance and long-term care
26 insurance subtracted under this item (V) shall be

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1 determined by multiplying total health insurance and
2 long-term care insurance premiums paid by the taxpayer
3 times a number that represents the fractional
4 percentage of eligible medical expenses under Section
5 213 of the Internal Revenue Code of 1986 not actually
6 deducted on the taxpayer's federal income tax return;

7 (W) For taxable years beginning on or after
8 January 1, 1998, all amounts included in the
9 taxpayer's federal gross income in the taxable year
10 from amounts converted from a regular IRA to a Roth
11 IRA. This paragraph is exempt from the provisions of
12 Section 250;

13 (X) For taxable year 1999 and thereafter, an
14 amount equal to the amount of any (i) distributions,
15 to the extent includible in gross income for federal
16 income tax purposes, made to the taxpayer because of
17 his or her status as a victim of persecution for racial
18 or religious reasons by Nazi Germany or any other Axis
19 regime or as an heir of the victim and (ii) items of
20 income, to the extent includible in gross income for
21 federal income tax purposes, attributable to, derived
22 from or in any way related to assets stolen from,
23 hidden from, or otherwise lost to a victim of
24 persecution for racial or religious reasons by Nazi
25 Germany or any other Axis regime immediately prior to,
26 during, and immediately after World War II, including,

1 but not limited to, interest on the proceeds
2 receivable as insurance under policies issued to a
3 victim of persecution for racial or religious reasons
4 by Nazi Germany or any other Axis regime by European
5 insurance companies immediately prior to and during
6 World War II; provided, however, this subtraction from
7 federal adjusted gross income does not apply to assets
8 acquired with such assets or with the proceeds from
9 the sale of such assets; provided, further, this
10 paragraph shall only apply to a taxpayer who was the
11 first recipient of such assets after their recovery
12 and who is a victim of persecution for racial or
13 religious reasons by Nazi Germany or any other Axis
14 regime or as an heir of the victim. The amount of and
15 the eligibility for any public assistance, benefit, or
16 similar entitlement is not affected by the inclusion
17 of items (i) and (ii) of this paragraph in gross income
18 for federal income tax purposes. This paragraph is
19 exempt from the provisions of Section 250;

20 (Y) For taxable years beginning on or after
21 January 1, 2002 and ending on or before December 31,
22 2004, moneys contributed in the taxable year to a
23 College Savings Pool account under Section 16.5 of the
24 State Treasurer Act, except that amounts excluded from
25 gross income under Section 529(c)(3)(C)(i) of the
26 Internal Revenue Code shall not be considered moneys

1 contributed under this subparagraph (Y). For taxable
2 years beginning on or after January 1, 2005, a maximum
3 of \$10,000 contributed in the taxable year to (i) a
4 College Savings Pool account under Section 16.5 of the
5 State Treasurer Act or (ii) the Illinois Prepaid
6 Tuition Trust Fund, except that amounts excluded from
7 gross income under Section 529(c)(3)(C)(i) of the
8 Internal Revenue Code shall not be considered moneys
9 contributed under this subparagraph (Y). For purposes
10 of this subparagraph, contributions made by an

11 employer on behalf of an employee, or matching
12 contributions made by an employee, shall be treated as
13 made by the employee. This subparagraph (Y) is exempt
14 from the provisions of Section 250;

15 (Z) For taxable years 2001 and thereafter, for the
16 taxable year in which the bonus depreciation deduction
17 is taken on the taxpayer's federal income tax return
18 under subsection (k) or (n) of Section 168 of the
19 Internal Revenue Code and for each applicable taxable
20 year thereafter, an amount equal to "x", where:

21 (1) "y" equals the amount of the depreciation
22 deduction taken for the taxable year on the
23 taxpayer's federal income tax return on property
24 for which the bonus depreciation deduction was
25 taken in any year under subsection (k) or (n) of
26 Section 168 of the Internal Revenue Code, but not

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1 including the bonus depreciation deduction;

2 (2) for taxable years ending on or before
3 December 31, 2005, "x" equals "y" multiplied by 30
4 and then divided by 70 (or "y" multiplied by
5 0.429); and

6 (3) for taxable years ending after December
7 31, 2005:

8 (i) for property on which a bonus
9 depreciation deduction of 30% of the adjusted
10 basis was taken, "x" equals "y" multiplied by
11 30 and then divided by 70 (or "y" multiplied
12 by 0.429);

13 (ii) for property on which a bonus
14 depreciation deduction of 50% of the adjusted
15 basis was taken, "x" equals "y" multiplied by
16 1.0;

17 (iii) for property on which a bonus
18 depreciation deduction of 100% of the adjusted
19 basis was taken in a taxable year ending on or
20 after December 31, 2021, "x" equals the
21 depreciation deduction that would be allowed
22 on that property if the taxpayer had made the

23 election under Section 168(k)(7) or Section
24 168(n)(6) of the Internal Revenue Code to not
25 claim bonus depreciation on that property; and
26 (iv) for property on which a bonus

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1 depreciation deduction of a percentage other
2 than 30%, 50% or 100% of the adjusted basis
3 was taken in a taxable year ending on or after
4 December 31, 2021, "x" equals "y" multiplied
5 by 100 times the percentage bonus depreciation
6 on the property (that is, $100(\text{bonus}\%)$) and
7 then divided by 100 times 1 minus the
8 percentage bonus depreciation on the property
9 (that is, $100(1-\text{bonus}\%)$).

10 The aggregate amount deducted under this
11 subparagraph in all taxable years for any one piece of
12 property may not exceed the amount of the bonus
13 depreciation deduction taken on that property on the
14 taxpayer's federal income tax return under subsection
15 (k) or (n) of Section 168 of the Internal Revenue Code.
16 This subparagraph (Z) is exempt from the provisions of
17 Section 250;

18 (AA) If the taxpayer sells, transfers, abandons,
19 or otherwise disposes of property for which the
20 taxpayer was required in any taxable year to make an
21 addition modification under subparagraph (D-15), then
22 an amount equal to that addition modification.

23 If the taxpayer continues to own property through
24 the last day of the last tax year for which a
25 subtraction is allowed with respect to that property
26 under subparagraph (Z) and for which the taxpayer was

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1 required in any taxable year to make an addition
2 modification under subparagraph (D-15), then an amount

3 equal to that addition modification.

4 The taxpayer is allowed to take the deduction
5 under this subparagraph only once with respect to any
6 one piece of property.

7 This subparagraph (AA) is exempt from the
8 provisions of Section 250;

9 (BB) Any amount included in adjusted gross income,
10 other than salary, received by a driver in a
11 ridesharing arrangement using a motor vehicle;

12 (CC) The amount of (i) any interest income (net of
13 the deductions allocable thereto) taken into account
14 for the taxable year with respect to a transaction
15 with a taxpayer that is required to make an addition
16 modification with respect to such transaction under
17 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
18 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
19 the amount of that addition modification, and (ii) any
20 income from intangible property (net of the deductions
21 allocable thereto) taken into account for the taxable
22 year with respect to a transaction with a taxpayer
23 that is required to make an addition modification with
24 respect to such transaction under Section
25 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
26 203(d)(2)(D-8), but not to exceed the amount of that

1 addition modification. This subparagraph (CC) is
2 exempt from the provisions of Section 250;

3 (DD) An amount equal to the interest income taken
4 into account for the taxable year (net of the
5 deductions allocable thereto) with respect to
6 transactions with (i) a foreign person who would be a
7 member of the taxpayer's unitary business group but
8 for the fact that the foreign person's business
9 activity outside the United States is 80% or more of
10 that person's total business activity and (ii) for
11 taxable years ending on or after December 31, 2008, to
12 a person who would be a member of the same unitary
13 business group but for the fact that the person is
14 prohibited under Section 1501(a)(27) from being

15 included in the unitary business group because he or
16 she is ordinarily required to apportion business
17 income under different subsections of Section 304, but
18 not to exceed the addition modification required to be
19 made for the same taxable year under Section
20 203(a)(2)(D-17) for interest paid, accrued, or
21 incurred, directly or indirectly, to the same person.
22 This subparagraph (DD) is exempt from the provisions
23 of Section 250;

24 (EE) An amount equal to the income from intangible
25 property taken into account for the taxable year (net
26 of the deductions allocable thereto) with respect to

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1 transactions with (i) a foreign person who would be a
2 member of the taxpayer's unitary business group but
3 for the fact that the foreign person's business
4 activity outside the United States is 80% or more of
5 that person's total business activity and (ii) for
6 taxable years ending on or after December 31, 2008, to
7 a person who would be a member of the same unitary
8 business group but for the fact that the person is
9 prohibited under Section 1501(a)(27) from being
10 included in the unitary business group because he or
11 she is ordinarily required to apportion business
12 income under different subsections of Section 304, but
13 not to exceed the addition modification required to be
14 made for the same taxable year under Section
15 203(a)(2)(D-18) for intangible expenses and costs
16 paid, accrued, or incurred, directly or indirectly, to
17 the same foreign person. This subparagraph (EE) is
18 exempt from the provisions of Section 250;

19 (FF) An amount equal to any amount awarded to the
20 taxpayer during the taxable year by the Court of
21 Claims under subsection (c) of Section 8 of the Court
22 of Claims Act for time unjustly served in a State
23 prison. This subparagraph (FF) is exempt from the
24 provisions of Section 250;

25 (GG) For taxable years ending on or after December
26 31, 2011, in the case of a taxpayer who was required to

1 add back any insurance premiums under Section
2 203(a)(2)(D-19), such taxpayer may elect to subtract
3 that part of a reimbursement received from the
4 insurance company equal to the amount of the expense
5 or loss (including expenses incurred by the insurance
6 company) that would have been taken into account as a
7 deduction for federal income tax purposes if the
8 expense or loss had been uninsured. If a taxpayer
9 makes the election provided for by this subparagraph
10 (GG), the insurer to which the premiums were paid must
11 add back to income the amount subtracted by the
12 taxpayer pursuant to this subparagraph (GG). This
13 subparagraph (GG) is exempt from the provisions of
14 Section 250;

15 (HH) For taxable years beginning on or after
16 January 1, 2018 and prior to January 1, 2028, a maximum
17 of \$10,000 contributed in the taxable year to a
18 qualified ABLE account under Section 16.6 of the State
19 Treasurer Act, except that amounts excluded from gross
20 income under Section 529(c)(3)(C)(i) or Section
21 529A(c)(1)(C) of the Internal Revenue Code shall not
22 be considered moneys contributed under this
23 subparagraph (HH). For purposes of this subparagraph
24 (HH), contributions made by an employer on behalf of
25 an employee, or matching contributions made by an
26 employee, shall be treated as made by the employee;

1 (II) For taxable years that begin on or after
2 January 1, 2021 and begin before January 1, 2026, the
3 amount that is included in the taxpayer's federal
4 adjusted gross income pursuant to Section 61 of the
5 Internal Revenue Code as discharge of indebtedness
6 attributable to student loan forgiveness and that is

7 not excluded from the taxpayer's federal adjusted
8 gross income pursuant to paragraph (5) of subsection
9 (f) of Section 108 of the Internal Revenue Code;

10 (JJ) For taxable years beginning on or after
11 January 1, 2023, for any cannabis establishment
12 operating in this State and licensed under the
13 Cannabis Regulation and Tax Act or any cannabis
14 cultivation center or medical cannabis dispensing
15 organization operating in this State and licensed
16 under the Compassionate Use of Medical Cannabis
17 Program Act, an amount equal to the deductions that
18 were disallowed under Section 280E of the Internal
19 Revenue Code for the taxable year and that would not be
20 added back under this subsection. The provisions of
21 this subparagraph (JJ) are exempt from the provisions
22 of Section 250;

23 (KK) To the extent includible in gross income for
24 federal income tax purposes, any amount awarded or
25 paid to the taxpayer as a result of a judgment or
26 settlement for fertility fraud as provided in Section

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1 15 of the Illinois Fertility Fraud Act, donor
2 fertility fraud as provided in Section 20 of the
3 Illinois Fertility Fraud Act, or similar action in
4 another state;

5 (LL) For taxable years beginning on or after
6 January 1, 2026, if the taxpayer is a qualified
7 worker, as defined in the Workforce Development
8 through Charitable Loan Repayment Act, an amount equal
9 to the amount included in the taxpayer's federal
10 adjusted gross income that is attributable to student
11 loan repayment assistance received by the taxpayer
12 during the taxable year from a qualified community
13 foundation under the provisions of the Workforce
14 Development through Charitable Loan Repayment Act.

15 This subparagraph (LL) is exempt from the
16 provisions of Section 250; and

17 (MM) For taxable years beginning on or after
18 January 1, 2025, if the taxpayer is an eligible

19 resident as defined in the Medical Debt Relief Act, an
20 amount equal to the amount included in the taxpayer's
21 federal adjusted gross income that is attributable to
22 medical debt relief received by the taxpayer during
23 the taxable year from a nonprofit medical debt relief
24 coordinator under the provisions of the Medical Debt
25 Relief Act. This subparagraph (MM) is exempt from the
26 provisions of Section 250.

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1 (b) Corporations.

2 (1) In general. In the case of a corporation, base
3 income means an amount equal to the taxpayer's taxable
4 income for the taxable year as modified by paragraph (2).

5 (2) Modifications. The taxable income referred to in
6 paragraph (1) shall be modified by adding thereto the sum
7 of the following amounts:

8 (A) An amount equal to all amounts paid or accrued
9 to the taxpayer as interest and all distributions
10 received from regulated investment companies during
11 the taxable year to the extent excluded from gross
12 income in the computation of taxable income;

13 (B) An amount equal to the amount of tax imposed by
14 this Act to the extent deducted from gross income in
15 the computation of taxable income for the taxable
16 year;

17 (C) In the case of a regulated investment company,
18 an amount equal to the excess of (i) the net long-term
19 capital gain for the taxable year, over (ii) the
20 amount of the capital gain dividends designated as
21 such in accordance with Section 852(b)(3)(C) of the
22 Internal Revenue Code and any amount designated under
23 Section 852(b)(3)(D) of the Internal Revenue Code,
24 attributable to the taxable year (this amendatory Act
25 of 1995 (Public Act 89-89) is declarative of existing

1 law and is not a new enactment);

2 (D) The amount of any net operating loss deduction
3 taken in arriving at taxable income, other than a net
4 operating loss carried forward from a taxable year
5 ending prior to December 31, 1986;

6 (E) For taxable years in which a net operating
7 loss carryback or carryforward from a taxable year
8 ending prior to December 31, 1986 is an element of
9 taxable income under paragraph (1) of subsection (e)
10 or subparagraph (E) of paragraph (2) of subsection
11 (e), the amount by which addition modifications other
12 than those provided by this subparagraph (E) exceeded
13 subtraction modifications in such earlier taxable
14 year, with the following limitations applied in the
15 order that they are listed:

16 (i) the addition modification relating to the
17 net operating loss carried back or forward to the
18 taxable year from any taxable year ending prior to
19 December 31, 1986 shall be reduced by the amount
20 of addition modification under this subparagraph
21 (E) which related to that net operating loss and
22 which was taken into account in calculating the
23 base income of an earlier taxable year, and

24 (ii) the addition modification relating to the
25 net operating loss carried back or forward to the
26 taxable year from any taxable year ending prior to

1 December 31, 1986 shall not exceed the amount of
2 such carryback or carryforward;

3 For taxable years in which there is a net
4 operating loss carryback or carryforward from more
5 than one other taxable year ending prior to December
6 31, 1986, the addition modification provided in this
7 subparagraph (E) shall be the sum of the amounts
8 computed independently under the preceding provisions
9 of this subparagraph (E) for each such taxable year;

10 (E-5) For taxable years ending after December 31,

11 1997, an amount equal to any eligible remediation
12 costs that the corporation deducted in computing
13 adjusted gross income and for which the corporation
14 claims a credit under subsection (l) of Section 201;

15 (E-10) For taxable years 2001 through 2025, an
16 amount equal to the bonus depreciation deduction taken
17 on the taxpayer's federal income tax return for the
18 taxable year under subsection (k) of Section 168 of
19 the Internal Revenue Code; for taxable years 2026 and
20 thereafter, an amount equal to the bonus depreciation
21 deduction taken on the taxpayer's federal income tax
22 return for the taxable year under subsection (k) or
23 (n) of Section 168 of the Internal Revenue Code;

24 (E-11) If the taxpayer sells, transfers, abandons,
25 or otherwise disposes of property for which the
26 taxpayer was required in any taxable year to make an

1 addition modification under subparagraph (E-10), then
2 an amount equal to the aggregate amount of the
3 deductions taken in all taxable years under
4 subparagraph (T) with respect to that property.

5 If the taxpayer continues to own property through
6 the last day of the last tax year for which a
7 subtraction is allowed with respect to that property
8 under subparagraph (T) and for which the taxpayer was
9 allowed in any taxable year to make a subtraction
10 modification under subparagraph (T), then an amount
11 equal to that subtraction modification.

12 The taxpayer is required to make the addition
13 modification under this subparagraph only once with
14 respect to any one piece of property;

15 (E-12) An amount equal to the amount otherwise
16 allowed as a deduction in computing base income for
17 interest paid, accrued, or incurred, directly or
18 indirectly, (i) for taxable years ending on or after
19 December 31, 2004, to a foreign person who would be a
20 member of the same unitary business group but for the
21 fact the foreign person's business activity outside
22 the United States is 80% or more of the foreign

23 person's total business activity and (ii) for taxable
24 years ending on or after December 31, 2008, to a person
25 who would be a member of the same unitary business
26 group but for the fact that the person is prohibited

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1 under Section 1501(a)(27) from being included in the
2 unitary business group because he or she is ordinarily
3 required to apportion business income under different
4 subsections of Section 304. The addition modification
5 required by this subparagraph shall be reduced to the
6 extent that dividends were included in base income of
7 the unitary group for the same taxable year and
8 received by the taxpayer or by a member of the
9 taxpayer's unitary business group (including amounts
10 included in gross income pursuant to Sections 951
11 through 964 of the Internal Revenue Code and amounts
12 included in gross income under Section 78 of the
13 Internal Revenue Code) with respect to the stock of
14 the same person to whom the interest was paid,
15 accrued, or incurred. For taxable years ending on and
16 after December 31, 2025, for purposes of applying this
17 paragraph in the case of a taxpayer to which Section
18 163(j) of the Internal Revenue Code applies for the
19 taxable year, the reduction in the amount of interest
20 for which a deduction is allowed by reason of Section
21 163(j) shall be treated as allocable first to persons
22 who are not foreign persons referred to in this
23 paragraph and then to such foreign persons.

24 For taxable years ending before December 31, 2025,
25 this paragraph shall not apply to the following:

26 (i) an item of interest paid, accrued, or

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1 incurred, directly or indirectly, to a person who
2 is subject in a foreign country or state, other

3 than a state which requires mandatory unitary
4 reporting, to a tax on or measured by net income
5 with respect to such interest; or

6 (ii) an item of interest paid, accrued, or
7 incurred, directly or indirectly, to a person if
8 the taxpayer can establish, based on a
9 preponderance of the evidence, both of the
10 following:

11 (a) the person, during the same taxable
12 year, paid, accrued, or incurred, the interest
13 to a person that is not a related member, and

14 (b) the transaction giving rise to the
15 interest expense between the taxpayer and the
16 person did not have as a principal purpose the
17 avoidance of Illinois income tax, and is paid
18 pursuant to a contract or agreement that
19 reflects an arm's-length interest rate and
20 terms; or

21 (iii) the taxpayer can establish, based on
22 clear and convincing evidence, that the interest
23 paid, accrued, or incurred relates to a contract
24 or agreement entered into at arm's-length rates
25 and terms and the principal purpose for the
26 payment is not federal or Illinois tax avoidance;

1 or

2 (iv) an item of interest paid, accrued, or
3 incurred, directly or indirectly, to a person if
4 the taxpayer establishes by clear and convincing
5 evidence that the adjustments are unreasonable; or
6 if the taxpayer and the Director agree in writing
7 to the application or use of an alternative method
8 of apportionment under Section 304(f).

9 For taxable years ending on or after December 31,
10 2025, this paragraph shall not apply to the following:

11 (i) an item of interest paid, accrued, or
12 incurred, directly or indirectly, to a person if
13 the taxpayer can establish, based on a
14 preponderance of the evidence, both of the

15 following:

16 (a) the person, during the same taxable
17 year, paid, accrued, or incurred, the interest
18 to a person that is not a related member, and

19 (b) the transaction giving rise to the
20 interest expense between the taxpayer and the
21 person did not have as a principal purpose the
22 avoidance of Illinois income tax, and is paid
23 pursuant to a contract or agreement that
24 reflects an arm's-length interest rate and
25 terms; or

26 (ii) an item of interest paid, accrued, or

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1 incurred, directly or indirectly, to a person if
2 the taxpayer establishes by clear and convincing
3 evidence that the adjustments are unreasonable; or
4 if the taxpayer and the Director agree in writing
5 to the application or use of an alternative method
6 of apportionment under Section 304(f).

7 Nothing in this subsection shall preclude the
8 Director from making any other adjustment otherwise
9 allowed under Section 404 of this Act for any tax year
10 beginning after the effective date of this amendment
11 provided such adjustment is made pursuant to
12 regulation adopted by the Department and such
13 regulations provide methods and standards by which the
14 Department will utilize its authority under Section
15 404 of this Act;

16 (E-13) An amount equal to the amount of intangible
17 expenses and costs otherwise allowed as a deduction in
18 computing base income, and that were paid, accrued, or
19 incurred, directly or indirectly, (i) for taxable
20 years ending on or after December 31, 2004, to a
21 foreign person who would be a member of the same
22 unitary business group but for the fact that the
23 foreign person's business activity outside the United
24 States is 80% or more of that person's total business
25 activity and (ii) for taxable years ending on or after
26 December 31, 2008, to a person who would be a member of

1 the same unitary business group but for the fact that
2 the person is prohibited under Section 1501(a)(27)
3 from being included in the unitary business group
4 because he or she is ordinarily required to apportion
5 business income under different subsections of Section
6 304. The addition modification required by this
7 subparagraph shall be reduced to the extent that
8 dividends were included in base income of the unitary
9 group for the same taxable year and received by the
10 taxpayer or by a member of the taxpayer's unitary
11 business group (including amounts included in gross
12 income pursuant to Sections 951 through 964 of the
13 Internal Revenue Code and amounts included in gross
14 income under Section 78 of the Internal Revenue Code)
15 with respect to the stock of the same person to whom
16 the intangible expenses and costs were directly or
17 indirectly paid, incurred, or accrued. The preceding
18 sentence shall not apply to the extent that the same
19 dividends caused a reduction to the addition
20 modification required under Section 203(b)(2)(E-12) of
21 this Act. As used in this subparagraph, the term
22 "intangible expenses and costs" includes (1) expenses,
23 losses, and costs for, or related to, the direct or
24 indirect acquisition, use, maintenance or management,
25 ownership, sale, exchange, or any other disposition of
26 intangible property; (2) losses incurred, directly or

1 indirectly, from factoring transactions or discounting
2 transactions; (3) royalty, patent, technical, and
3 copyright fees; (4) licensing fees; and (5) other
4 similar expenses and costs. For purposes of this
5 subparagraph, "intangible property" includes patents,
6 patent applications, trade names, trademarks, service

7 marks, copyrights, mask works, trade secrets, and
8 similar types of intangible assets.

9 For taxable years ending before December 31, 2025,
10 this paragraph shall not apply to the following:

11 (i) any item of intangible expenses or costs
12 paid, accrued, or incurred, directly or
13 indirectly, from a transaction with a person who
14 is subject in a foreign country or state, other
15 than a state which requires mandatory unitary
16 reporting, to a tax on or measured by net income
17 with respect to such item; or

18 (ii) any item of intangible expense or cost
19 paid, accrued, or incurred, directly or
20 indirectly, if the taxpayer can establish, based
21 on a preponderance of the evidence, both of the
22 following:

23 (a) the person during the same taxable
24 year paid, accrued, or incurred, the
25 intangible expense or cost to a person that is
26 not a related member, and

1 (b) the transaction giving rise to the
2 intangible expense or cost between the
3 taxpayer and the person did not have as a
4 principal purpose the avoidance of Illinois
5 income tax, and is paid pursuant to a contract
6 or agreement that reflects arm's-length terms;
7 or

8 (iii) any item of intangible expense or cost
9 paid, accrued, or incurred, directly or
10 indirectly, from a transaction with a person if
11 the taxpayer establishes by clear and convincing
12 evidence, that the adjustments are unreasonable;
13 or if the taxpayer and the Director agree in
14 writing to the application or use of an
15 alternative method of apportionment under Section
16 304(f);

17 For taxable years ending on or after December 31,
18 2025, this paragraph shall not apply to the following:

19 (i) any item of intangible expense or cost
20 paid, accrued, or incurred, directly or
21 indirectly, if the taxpayer can establish, based
22 on a preponderance of the evidence, both of the
23 following:

24 (a) the person during the same taxable
25 year paid, accrued, or incurred, the
26 intangible expense or cost to a person that is

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1 not a related member, and

2 (b) the transaction giving rise to the
3 intangible expense or cost between the
4 taxpayer and the person did not have as a
5 principal purpose the avoidance of Illinois
6 income tax, and is paid pursuant to a contract
7 or agreement that reflects arm's-length terms;
8 or

9 (ii) any item of intangible expense or cost
10 paid, accrued, or incurred, directly or
11 indirectly, from a transaction with a person if
12 the taxpayer establishes by clear and convincing
13 evidence, that the adjustments are unreasonable;
14 or if the taxpayer and the Director agree in
15 writing to the application or use of an
16 alternative method of apportionment under Section
17 304(f).

18 Nothing in this subsection shall preclude the
19 Director from making any other adjustment otherwise
20 allowed under Section 404 of this Act for any tax year
21 beginning after the effective date of this amendment
22 provided such adjustment is made pursuant to
23 regulation adopted by the Department and such
24 regulations provide methods and standards by which the
25 Department will utilize its authority under Section
26 404 of this Act;

1 (E-14) For taxable years ending on or after
2 December 31, 2008, an amount equal to the amount of
3 insurance premium expenses and costs otherwise allowed
4 as a deduction in computing base income, and that were
5 paid, accrued, or incurred, directly or indirectly, to
6 a person who would be a member of the same unitary
7 business group but for the fact that the person is
8 prohibited under Section 1501(a)(27) from being
9 included in the unitary business group because he or
10 she is ordinarily required to apportion business
11 income under different subsections of Section 304. The
12 addition modification required by this subparagraph
13 shall be reduced to the extent that dividends were
14 included in base income of the unitary group for the
15 same taxable year and received by the taxpayer or by a
16 member of the taxpayer's unitary business group
17 (including amounts included in gross income under
18 Sections 951 through 964 of the Internal Revenue Code
19 and amounts included in gross income under Section 78
20 of the Internal Revenue Code) with respect to the
21 stock of the same person to whom the premiums and costs
22 were directly or indirectly paid, incurred, or
23 accrued. The preceding sentence does not apply to the
24 extent that the same dividends caused a reduction to
25 the addition modification required under Section
26 203(b)(2)(E-12) or Section 203(b)(2)(E-13) of this

1 Act;

2 (E-15) For taxable years beginning after December
3 31, 2008, any deduction for dividends paid by a
4 captive real estate investment trust that is allowed
5 to a real estate investment trust under Section
6 857(b)(2)(B) of the Internal Revenue Code for
7 dividends paid;

8 (E-16) An amount equal to the credit allowable to
9 the taxpayer under Section 218(a) of this Act,
10 determined without regard to Section 218(c) of this

11 Act;
12 (E-17) For taxable years ending on or after
13 December 31, 2017, an amount equal to the deduction
14 allowed under Section 199 of the Internal Revenue Code
15 for the taxable year;
16 (E-18) for taxable years beginning after December
17 31, 2018, an amount equal to the deduction allowed
18 under Section 250(a)(1)(A) of the Internal Revenue
19 Code for the taxable year;
20 (E-19) for taxable years ending on or after June
21 30, 2021, an amount equal to the deduction allowed
22 under Section 250(a)(1)(B)(i) of the Internal Revenue
23 Code for the taxable year;
24 (E-20) for taxable years ending on or after June
25 30, 2021, an amount equal to the deduction allowed
26 under Sections 243(e) and 245A(a) of the Internal

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1 Revenue Code for the taxable year;
2 (E-21) the amount that is claimed as a federal
3 deduction when computing the taxpayer's federal
4 taxable income for the taxable year and that is
5 attributable to an endowment gift for which the
6 taxpayer receives a credit under the Illinois Gives
7 Tax Credit Act;
8 and by deducting from the total so obtained the sum of the
9 following amounts:
10 (F) An amount equal to the amount of any tax
11 imposed by this Act which was refunded to the taxpayer
12 and included in such total for the taxable year;
13 (G) An amount equal to any amount included in such
14 total under Section 78 of the Internal Revenue Code;
15 (H) In the case of a regulated investment company,
16 an amount equal to the amount of exempt interest
17 dividends as defined in subsection (b)(5) of Section
18 852 of the Internal Revenue Code, paid to shareholders
19 for the taxable year;
20 (I) With the exception of any amounts subtracted
21 under subparagraph (J), an amount equal to the sum of
22 all amounts disallowed as deductions by (i) Sections

23 171(a)(2) and 265(a)(2) and amounts disallowed as
24 interest expense by Section 291(a)(3) of the Internal
25 Revenue Code, and all amounts of expenses allocable to
26 interest and disallowed as deductions by Section

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1 265(a)(1) of the Internal Revenue Code; and (ii) for
2 taxable years ending on or after August 13, 1999,
3 Sections 171(a)(2), 265, 280C, 291(a)(3), and
4 832(b)(5)(B)(i) of the Internal Revenue Code, plus,
5 for tax years ending on or after December 31, 2011,
6 amounts disallowed as deductions by Section 45G(e)(3)
7 of the Internal Revenue Code and, for taxable years
8 ending on or after December 31, 2008, any amount
9 included in gross income under Section 87 of the
10 Internal Revenue Code and the policyholders' share of
11 tax-exempt interest of a life insurance company under
12 Section 807(a)(2)(B) of the Internal Revenue Code (in
13 the case of a life insurance company with gross income
14 from a decrease in reserves for the tax year) or
15 Section 807(b)(1)(B) of the Internal Revenue Code (in
16 the case of a life insurance company allowed a
17 deduction for an increase in reserves for the tax
18 year); the provisions of this subparagraph are exempt
19 from the provisions of Section 250;

20 (J) An amount equal to all amounts included in
21 such total which are exempt from taxation by this
22 State either by reason of its statutes or Constitution
23 or by reason of the Constitution, treaties or statutes
24 of the United States; provided that, in the case of any
25 statute of this State that exempts income derived from
26 bonds or other obligations from the tax imposed under

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1 this Act, the amount exempted shall be the interest
2 net of bond premium amortization;

3 (K) An amount equal to those dividends included in
4 such total which were paid by a corporation which
5 conducts business operations in a River Edge
6 Redevelopment Zone or zones created under the River
7 Edge Redevelopment Zone Act and conducts substantially
8 all of its operations in a River Edge Redevelopment
9 Zone or zones. This subparagraph (K) is exempt from
10 the provisions of Section 250;

11 (L) An amount equal to those dividends included in
12 such total that were paid by a corporation that
13 conducts business operations in a federally designated
14 Foreign Trade Zone or Sub-Zone and that is designated
15 a High Impact Business located in Illinois; provided
16 that dividends eligible for the deduction provided in
17 subparagraph (K) of paragraph 2 of this subsection
18 shall not be eligible for the deduction provided under
19 this subparagraph (L);

20 (M) For any taxpayer that is a financial
21 organization within the meaning of Section 304(c) of
22 this Act, an amount included in such total as interest
23 income from a loan or loans made by such taxpayer to a
24 borrower, to the extent that such a loan is secured by
25 property which is eligible for the River Edge
26 Redevelopment Zone Investment Credit. To determine the

1 portion of a loan or loans that is secured by property
2 eligible for a Section 201(f) investment credit to the
3 borrower, the entire principal amount of the loan or
4 loans between the taxpayer and the borrower should be
5 divided into the basis of the Section 201(f)
6 investment credit property which secures the loan or
7 loans, using for this purpose the original basis of
8 such property on the date that it was placed in service
9 in the River Edge Redevelopment Zone. The subtraction
10 modification available to the taxpayer in any year
11 under this subsection shall be that portion of the
12 total interest paid by the borrower with respect to
13 such loan attributable to the eligible property as
14 calculated under the previous sentence. This

subparagraph (M) is exempt from the provisions of
Section 250;

(M-1) For any taxpayer that is a financial
organization within the meaning of Section 304(c) of
this Act, an amount included in such total as interest
income from a loan or loans made by such taxpayer to a
borrower, to the extent that such a loan is secured by
property which is eligible for the High Impact
Business Investment Credit. To determine the portion
of a loan or loans that is secured by property eligible
for a Section 201(h) investment credit to the
borrower, the entire principal amount of the loan or

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loans between the taxpayer and the borrower should be
divided into the basis of the Section 201(h)
investment credit property which secures the loan or
loans, using for this purpose the original basis of
such property on the date that it was placed in service
in a federally designated Foreign Trade Zone or
Sub-Zone located in Illinois. No taxpayer that is
eligible for the deduction provided in subparagraph
(M) of paragraph (2) of this subsection shall be
eligible for the deduction provided under this
subparagraph (M-1). The subtraction modification
available to taxpayers in any year under this
subsection shall be that portion of the total interest
paid by the borrower with respect to such loan
attributable to the eligible property as calculated
under the previous sentence;

(N) Two times any contribution made during the
taxable year to a designated zone organization to the
extent that the contribution (i) qualifies as a
charitable contribution under subsection (c) of
Section 170 of the Internal Revenue Code and (ii)
must, by its terms, be used for a project approved by
the Department of Commerce and Economic Opportunity
under Section 11 of the Illinois Enterprise Zone Act
or under Section 10-10 of the River Edge Redevelopment
Zone Act. This subparagraph (N) is exempt from the

1 provisions of Section 250;

2 (0) An amount equal to: (i) 85% for taxable years
3 ending on or before December 31, 1992, or, a
4 percentage equal to the percentage allowable under
5 Section 243(a)(1) of the Internal Revenue Code of 1986
6 for taxable years ending after December 31, 1992, of
7 the amount by which dividends included in taxable
8 income and received from a corporation that is not
9 created or organized under the laws of the United
10 States or any state or political subdivision thereof,
11 including, for taxable years ending on or after
12 December 31, 1988, dividends received or deemed
13 received or paid or deemed paid under Sections 951
14 through 965 of the Internal Revenue Code, exceed the
15 amount of the modification provided under subparagraph
16 (G) of paragraph (2) of this subsection (b) which is
17 related to such dividends, and including, for taxable
18 years ending on or after December 31, 2008, dividends
19 received from a captive real estate investment trust;
20 plus (ii) 100% of the amount by which dividends,
21 included in taxable income and received, including,
22 for taxable years ending on or after December 31,
23 1988, dividends received or deemed received or paid or
24 deemed paid under Sections 951 through 964 of the
25 Internal Revenue Code and including, for taxable years
26 ending on or after December 31, 2008, dividends

1 received from a captive real estate investment trust,
2 from any such corporation specified in clause (i) that
3 would but for the provisions of Section 1504(b)(3) of
4 the Internal Revenue Code be treated as a member of the
5 affiliated group which includes the dividend
6 recipient, exceed the amount of the modification

7 provided under subparagraph (G) of paragraph (2) of
8 this subsection (b) which is related to such
9 dividends. For taxable years ending on or after June
10 30, 2021, (i) for purposes of this subparagraph, the
11 term "dividend" does not include any amount treated as
12 a dividend under Section 1248 of the Internal Revenue
13 Code, and (ii) this subparagraph shall not apply to
14 dividends for which a deduction is allowed under
15 Section 245(a) of the Internal Revenue Code. For
16 taxable years ending on or after December 31, 2025,
17 50% of the amount of global intangible low-taxed
18 income or net controlled foreign corporation (CFC)
19 tested income received or deemed received or paid or
20 deemed paid under Sections 951 through 965 of the
21 Internal Revenue Code. This subparagraph (O) is exempt
22 from the provisions of Section 250 of this Act;

23 (P) An amount equal to any contribution made to a
24 job training project established pursuant to the Tax
25 Increment Allocation Redevelopment Act;

26 (Q) An amount equal to the amount of the deduction

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1 used to compute the federal income tax credit for
2 restoration of substantial amounts held under claim of
3 right for the taxable year pursuant to Section 1341 of
4 the Internal Revenue Code;

5 (R) On and after July 20, 1999, in the case of an
6 attorney-in-fact with respect to whom an interinsurer
7 or a reciprocal insurer has made the election under
8 Section 835 of the Internal Revenue Code, 26 U.S.C.
9 835, an amount equal to the excess, if any, of the
10 amounts paid or incurred by that interinsurer or
11 reciprocal insurer in the taxable year to the
12 attorney-in-fact over the deduction allowed to that
13 interinsurer or reciprocal insurer with respect to the
14 attorney-in-fact under Section 835(b) of the Internal
15 Revenue Code for the taxable year; the provisions of
16 this subparagraph are exempt from the provisions of
17 Section 250;

18 (S) For taxable years ending on or after December

31, 1997, in the case of a Subchapter S corporation, an amount equal to all amounts of income allocable to a shareholder subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act, including amounts allocable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code. This subparagraph (S) is exempt from the

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provisions of Section 250;

(T) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) or (n) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) or (n) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429);

(ii) for property on which a bonus

1 depreciation deduction of 50% of the adjusted
2 basis was taken, "x" equals "y" multiplied by
3 1.0;

4 (iii) for property on which a bonus
5 depreciation deduction of 100% of the adjusted
6 basis was taken in a taxable year ending on or
7 after December 31, 2021, "x" equals the
8 depreciation deduction that would be allowed
9 on that property if the taxpayer had made the
10 election under Section 168(k)(7) or Section
11 168(n)(6) of the Internal Revenue Code to not
12 claim bonus depreciation on that property; and

13 (iv) for property on which a bonus
14 depreciation deduction of a percentage other
15 than 30%, 50% or 100% of the adjusted basis
16 was taken in a taxable year ending on or after
17 December 31, 2021, "x" equals "y" multiplied
18 by 100 times the percentage bonus depreciation
19 on the property (that is, $100(\text{bonus}\%)$) and
20 then divided by 100 times 1 minus the
21 percentage bonus depreciation on the property
22 (that is, $100(1-\text{bonus}\%)$).

23 The aggregate amount deducted under this
24 subparagraph in all taxable years for any one piece of
25 property may not exceed the amount of the bonus
26 depreciation deduction taken on that property on the

1 taxpayer's federal income tax return under subsection
2 (k) or (n) of Section 168 of the Internal Revenue Code.
3 This subparagraph (T) is exempt from the provisions of
4 Section 250;

5 (U) If the taxpayer sells, transfers, abandons, or
6 otherwise disposes of property for which the taxpayer
7 was required in any taxable year to make an addition
8 modification under subparagraph (E-10), then an amount
9 equal to that addition modification.

10 If the taxpayer continues to own property through

11 the last day of the last tax year for which a
12 subtraction is allowed with respect to that property
13 under subparagraph (T) and for which the taxpayer was
14 required in any taxable year to make an addition
15 modification under subparagraph (E-10), then an amount
16 equal to that addition modification.

17 The taxpayer is allowed to take the deduction
18 under this subparagraph only once with respect to any
19 one piece of property.

20 This subparagraph (U) is exempt from the
21 provisions of Section 250;

22 (V) The amount of: (i) any interest income (net of
23 the deductions allocable thereto) taken into account
24 for the taxable year with respect to a transaction
25 with a taxpayer that is required to make an addition
26 modification with respect to such transaction under

1 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
2 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
3 the amount of such addition modification, (ii) any
4 income from intangible property (net of the deductions
5 allocable thereto) taken into account for the taxable
6 year with respect to a transaction with a taxpayer
7 that is required to make an addition modification with
8 respect to such transaction under Section
9 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
10 203(d)(2)(D-8), but not to exceed the amount of such
11 addition modification, and (iii) any insurance premium
12 income (net of deductions allocable thereto) taken
13 into account for the taxable year with respect to a
14 transaction with a taxpayer that is required to make
15 an addition modification with respect to such
16 transaction under Section 203(a)(2)(D-19), Section
17 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section
18 203(d)(2)(D-9), but not to exceed the amount of that
19 addition modification. This subparagraph (V) is exempt
20 from the provisions of Section 250;

21 (W) An amount equal to the interest income taken
22 into account for the taxable year (net of the

23 deductions allocable thereto) with respect to
24 transactions with (i) a foreign person who would be a
25 member of the taxpayer's unitary business group but
26 for the fact that the foreign person's business

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1 activity outside the United States is 80% or more of
2 that person's total business activity and (ii) for
3 taxable years ending on or after December 31, 2008, to
4 a person who would be a member of the same unitary
5 business group but for the fact that the person is
6 prohibited under Section 1501(a)(27) from being
7 included in the unitary business group because he or
8 she is ordinarily required to apportion business
9 income under different subsections of Section 304, but
10 not to exceed the addition modification required to be
11 made for the same taxable year under Section
12 203(b)(2)(E-12) for interest paid, accrued, or
13 incurred, directly or indirectly, to the same person.
14 This subparagraph (W) is exempt from the provisions of
15 Section 250;

16 (X) An amount equal to the income from intangible
17 property taken into account for the taxable year (net
18 of the deductions allocable thereto) with respect to
19 transactions with (i) a foreign person who would be a
20 member of the taxpayer's unitary business group but
21 for the fact that the foreign person's business
22 activity outside the United States is 80% or more of
23 that person's total business activity and (ii) for
24 taxable years ending on or after December 31, 2008, to
25 a person who would be a member of the same unitary
26 business group but for the fact that the person is

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1 prohibited under Section 1501(a)(27) from being
2 included in the unitary business group because he or

3 she is ordinarily required to apportion business
4 income under different subsections of Section 304, but
5 not to exceed the addition modification required to be
6 made for the same taxable year under Section
7 203(b)(2)(E-13) for intangible expenses and costs
8 paid, accrued, or incurred, directly or indirectly, to
9 the same foreign person. This subparagraph (X) is
10 exempt from the provisions of Section 250;

11 (Y) For taxable years ending on or after December
12 31, 2011, in the case of a taxpayer who was required to
13 add back any insurance premiums under Section
14 203(b)(2)(E-14), such taxpayer may elect to subtract
15 that part of a reimbursement received from the
16 insurance company equal to the amount of the expense
17 or loss (including expenses incurred by the insurance
18 company) that would have been taken into account as a
19 deduction for federal income tax purposes if the
20 expense or loss had been uninsured. If a taxpayer
21 makes the election provided for by this subparagraph
22 (Y), the insurer to which the premiums were paid must
23 add back to income the amount subtracted by the
24 taxpayer pursuant to this subparagraph (Y). This
25 subparagraph (Y) is exempt from the provisions of
26 Section 250;

1 (Z) The difference between the nondeductible
2 controlled foreign corporation dividends under Section
3 965(e)(3) of the Internal Revenue Code over the
4 taxable income of the taxpayer, computed without
5 regard to Section 965(e)(2)(A) of the Internal Revenue
6 Code, and without regard to any net operating loss
7 deduction. This subparagraph (Z) is exempt from the
8 provisions of Section 250; and

9 (AA) For taxable years beginning on or after
10 January 1, 2023, for any cannabis establishment
11 operating in this State and licensed under the
12 Cannabis Regulation and Tax Act or any cannabis
13 cultivation center or medical cannabis dispensing
14 organization operating in this State and licensed

under the Compassionate Use of Medical Cannabis Program Act, an amount equal to the deductions that were disallowed under Section 280E of the Internal Revenue Code for the taxable year and that would not be added back under this subsection. The provisions of this subparagraph (AA) are exempt from the provisions of Section 250.

(3) Special rule. For purposes of paragraph (2)(A), "gross income" in the case of a life insurance company, for tax years ending on and after December 31, 1994, and prior to December 31, 2011, shall mean the gross investment income for the taxable year and, for tax years

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ending on or after December 31, 2011, shall mean all amounts included in life insurance gross income under Section 803(a)(3) of the Internal Revenue Code.

(c) Trusts and estates.

(1) In general. In the case of a trust or estate, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. Subject to the provisions of paragraph (3), the taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of taxable income;

(B) In the case of (i) an estate, \$600; (ii) a trust which, under its governing instrument, is required to distribute all of its income currently, \$300; and (iii) any other trust, \$100, but in each such case, only to the extent such amount was deducted in the computation of taxable income;

(C) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of taxable income for the taxable year;

1 (D) The amount of any net operating loss deduction
2 taken in arriving at taxable income, other than a net
3 operating loss carried forward from a taxable year
4 ending prior to December 31, 1986;

5 (E) For taxable years in which a net operating
6 loss carryback or carryforward from a taxable year
7 ending prior to December 31, 1986 is an element of
8 taxable income under paragraph (1) of subsection (e)
9 or subparagraph (E) of paragraph (2) of subsection
10 (e), the amount by which addition modifications other
11 than those provided by this subparagraph (E) exceeded
12 subtraction modifications in such taxable year, with
13 the following limitations applied in the order that
14 they are listed:

15 (i) the addition modification relating to the
16 net operating loss carried back or forward to the
17 taxable year from any taxable year ending prior to
18 December 31, 1986 shall be reduced by the amount
19 of addition modification under this subparagraph
20 (E) which related to that net operating loss and
21 which was taken into account in calculating the
22 base income of an earlier taxable year, and

23 (ii) the addition modification relating to the
24 net operating loss carried back or forward to the
25 taxable year from any taxable year ending prior to
26 December 31, 1986 shall not exceed the amount of

1 such carryback or carryforward;

2 For taxable years in which there is a net
3 operating loss carryback or carryforward from more
4 than one other taxable year ending prior to December
5 31, 1986, the addition modification provided in this
6 subparagraph (E) shall be the sum of the amounts

7 computed independently under the preceding provisions
8 of this subparagraph (E) for each such taxable year;

9 (F) For taxable years ending on or after January
10 1, 1989, an amount equal to the tax deducted pursuant
11 to Section 164 of the Internal Revenue Code if the
12 trust or estate is claiming the same tax for purposes
13 of the Illinois foreign tax credit under Section 601
14 of this Act;

15 (G) An amount equal to the amount of the capital
16 gain deduction allowable under the Internal Revenue
17 Code, to the extent deducted from gross income in the
18 computation of taxable income;

19 (G-5) For taxable years ending after December 31,
20 1997, an amount equal to any eligible remediation
21 costs that the trust or estate deducted in computing
22 adjusted gross income and for which the trust or
23 estate claims a credit under subsection (l) of Section
24 201;

25 (G-10) For taxable years 2001 through 2025, an
26 amount equal to the bonus depreciation deduction taken

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1 on the taxpayer's federal income tax return for the
2 taxable year under subsection (k) of Section 168 of
3 the Internal Revenue Code; for taxable years 2026 and
4 thereafter, an amount equal to the bonus depreciation
5 deduction taken on the taxpayer's federal income tax
6 return for the taxable year under subsection (k) or
7 (n) of Section 168 of the Internal Revenue Code; and

8 (G-11) If the taxpayer sells, transfers, abandons,
9 or otherwise disposes of property for which the
10 taxpayer was required in any taxable year to make an
11 addition modification under subparagraph (G-10), then
12 an amount equal to the aggregate amount of the
13 deductions taken in all taxable years under
14 subparagraph (R) with respect to that property.

15 If the taxpayer continues to own property through
16 the last day of the last tax year for which a
17 subtraction is allowed with respect to that property
18 under subparagraph (R) and for which the taxpayer was

19 allowed in any taxable year to make a subtraction
20 modification under subparagraph (R), then an amount
21 equal to that subtraction modification.

22 The taxpayer is required to make the addition
23 modification under this subparagraph only once with
24 respect to any one piece of property;

25 (G-12) An amount equal to the amount otherwise
26 allowed as a deduction in computing base income for

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1 interest paid, accrued, or incurred, directly or
2 indirectly, (i) for taxable years ending on or after
3 December 31, 2004, to a foreign person who would be a
4 member of the same unitary business group but for the
5 fact that the foreign person's business activity
6 outside the United States is 80% or more of the foreign
7 person's total business activity and (ii) for taxable
8 years ending on or after December 31, 2008, to a person
9 who would be a member of the same unitary business
10 group but for the fact that the person is prohibited
11 under Section 1501(a)(27) from being included in the
12 unitary business group because he or she is ordinarily
13 required to apportion business income under different
14 subsections of Section 304. The addition modification
15 required by this subparagraph shall be reduced to the
16 extent that dividends were included in base income of
17 the unitary group for the same taxable year and
18 received by the taxpayer or by a member of the
19 taxpayer's unitary business group (including amounts
20 included in gross income pursuant to Sections 951
21 through 964 of the Internal Revenue Code and amounts
22 included in gross income under Section 78 of the
23 Internal Revenue Code) with respect to the stock of
24 the same person to whom the interest was paid,
25 accrued, or incurred. For taxable years ending on and
26 after December 31, 2025, for purposes of applying this

1 paragraph in the case of a taxpayer to which Section
2 163(j) of the Internal Revenue Code applies for the
3 taxable year, the reduction in the amount of interest
4 for which a deduction is allowed by reason of Section
5 163(j) shall be treated as allocable first to persons
6 who are not foreign persons referred to in this
7 paragraph and then to such foreign persons.

8 For taxable years ending before December 31, 2025,
9 this paragraph shall not apply to the following:

10 (i) an item of interest paid, accrued, or
11 incurred, directly or indirectly, to a person who
12 is subject in a foreign country or state, other
13 than a state which requires mandatory unitary
14 reporting, to a tax on or measured by net income
15 with respect to such interest; or

16 (ii) an item of interest paid, accrued, or
17 incurred, directly or indirectly, to a person if
18 the taxpayer can establish, based on a
19 preponderance of the evidence, both of the
20 following:

21 (a) the person, during the same taxable
22 year, paid, accrued, or incurred, the interest
23 to a person that is not a related member, and

24 (b) the transaction giving rise to the
25 interest expense between the taxpayer and the
26 person did not have as a principal purpose the

1 avoidance of Illinois income tax, and is paid
2 pursuant to a contract or agreement that
3 reflects an arm's-length interest rate and
4 terms; or

5 (iii) the taxpayer can establish, based on
6 clear and convincing evidence, that the interest
7 paid, accrued, or incurred relates to a contract
8 or agreement entered into at arm's-length rates
9 and terms and the principal purpose for the
10 payment is not federal or Illinois tax avoidance;

11 or

12 (iv) an item of interest paid, accrued, or
13 incurred, directly or indirectly, to a person if
14 the taxpayer establishes by clear and convincing
15 evidence that the adjustments are unreasonable; or
16 if the taxpayer and the Director agree in writing
17 to the application or use of an alternative method
18 of apportionment under Section 304(f).

19 For taxable years ending on or after December 31,
20 2025, this paragraph shall not apply to the following:

21 (i) an item of interest paid, accrued, or
22 incurred, directly or indirectly, to a person if
23 the taxpayer can establish, based on a
24 preponderance of the evidence, both of the
25 following:

26 (a) the person, during the same taxable

1 year, paid, accrued, or incurred, the interest
2 to a person that is not a related member, and

3 (b) the transaction giving rise to the
4 interest expense between the taxpayer and the
5 person did not have as a principal purpose the
6 avoidance of Illinois income tax, and is paid
7 pursuant to a contract or agreement that
8 reflects an arm's-length interest rate and
9 terms; or

10 (ii) an item of interest paid, accrued, or
11 incurred, directly or indirectly, to a person if
12 the taxpayer establishes by clear and convincing
13 evidence that the adjustments are unreasonable; or
14 if the taxpayer and the Director agree in writing
15 to the application or use of an alternative method
16 of apportionment under Section 304(f).

17 Nothing in this subsection shall preclude the
18 Director from making any other adjustment otherwise
19 allowed under Section 404 of this Act for any tax year
20 beginning after the effective date of this amendment
21 provided such adjustment is made pursuant to
22 regulation adopted by the Department and such

23 regulations provide methods and standards by which the
24 Department will utilize its authority under Section
25 404 of this Act;
26 (G-13) An amount equal to the amount of intangible

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1 expenses and costs otherwise allowed as a deduction in
2 computing base income, and that were paid, accrued, or
3 incurred, directly or indirectly, (i) for taxable
4 years ending on or after December 31, 2004, to a
5 foreign person who would be a member of the same
6 unitary business group but for the fact that the
7 foreign person's business activity outside the United
8 States is 80% or more of that person's total business
9 activity and (ii) for taxable years ending on or after
10 December 31, 2008, to a person who would be a member of
11 the same unitary business group but for the fact that
12 the person is prohibited under Section 1501(a)(27)
13 from being included in the unitary business group
14 because he or she is ordinarily required to apportion
15 business income under different subsections of Section
16 304. The addition modification required by this
17 subparagraph shall be reduced to the extent that
18 dividends were included in base income of the unitary
19 group for the same taxable year and received by the
20 taxpayer or by a member of the taxpayer's unitary
21 business group (including amounts included in gross
22 income pursuant to Sections 951 through 964 of the
23 Internal Revenue Code and amounts included in gross
24 income under Section 78 of the Internal Revenue Code)
25 with respect to the stock of the same person to whom
26 the intangible expenses and costs were directly or

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1 indirectly paid, incurred, or accrued. The preceding
2 sentence shall not apply to the extent that the same

3 dividends caused a reduction to the addition
4 modification required under Section 203(c)(2)(G-12) of
5 this Act. As used in this subparagraph, the term
6 "intangible expenses and costs" includes: (1)
7 expenses, losses, and costs for or related to the
8 direct or indirect acquisition, use, maintenance or
9 management, ownership, sale, exchange, or any other
10 disposition of intangible property; (2) losses
11 incurred, directly or indirectly, from factoring
12 transactions or discounting transactions; (3) royalty,
13 patent, technical, and copyright fees; (4) licensing
14 fees; and (5) other similar expenses and costs. For
15 purposes of this subparagraph, "intangible property"
16 includes patents, patent applications, trade names,
17 trademarks, service marks, copyrights, mask works,
18 trade secrets, and similar types of intangible assets.

19 For taxable years ending before December 31, 2025,
20 this paragraph shall not apply to the following:

21 (i) any item of intangible expenses or costs
22 paid, accrued, or incurred, directly or
23 indirectly, from a transaction with a person who
24 is subject in a foreign country or state, other
25 than a state which requires mandatory unitary
26 reporting, to a tax on or measured by net income

1 with respect to such item; or

2 (ii) any item of intangible expense or cost
3 paid, accrued, or incurred, directly or
4 indirectly, if the taxpayer can establish, based
5 on a preponderance of the evidence, both of the
6 following:

7 (a) the person during the same taxable
8 year paid, accrued, or incurred, the
9 intangible expense or cost to a person that is
10 not a related member, and

11 (b) the transaction giving rise to the
12 intangible expense or cost between the
13 taxpayer and the person did not have as a
14 principal purpose the avoidance of Illinois

15 income tax, and is paid pursuant to a contract
16 or agreement that reflects arm's-length terms;
17 or

18 (iii) any item of intangible expense or cost
19 paid, accrued, or incurred, directly or
20 indirectly, from a transaction with a person if
21 the taxpayer establishes by clear and convincing
22 evidence, that the adjustments are unreasonable;
23 or if the taxpayer and the Director agree in
24 writing to the application or use of an
25 alternative method of apportionment under Section
26 304(f);

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1 For taxable years ending on or after December 31,
2 2025, this paragraph shall not apply to the following:

3 (i) any item of intangible expense or cost
4 paid, accrued, or incurred, directly or
5 indirectly, if the taxpayer can establish, based
6 on a preponderance of the evidence, both of the
7 following:

8 (a) the person during the same taxable
9 year paid, accrued, or incurred, the
10 intangible expense or cost to a person that is
11 not a related member, and

12 (b) the transaction giving rise to the
13 intangible expense or cost between the
14 taxpayer and the person did not have as a
15 principal purpose the avoidance of Illinois
16 income tax, and is paid pursuant to a contract
17 or agreement that reflects arm's-length terms;
18 or

19 (ii) any item of intangible expense or cost
20 paid, accrued, or incurred, directly or
21 indirectly, from a transaction with a person if
22 the taxpayer establishes by clear and convincing
23 evidence, that the adjustments are unreasonable;
24 or if the taxpayer and the Director agree in
25 writing to the application or use of an
26 alternative method of apportionment under Section

1 304(f).

2 Nothing in this subsection shall preclude the
3 Director from making any other adjustment otherwise
4 allowed under Section 404 of this Act for any tax year
5 beginning after the effective date of this amendment
6 provided such adjustment is made pursuant to
7 regulation adopted by the Department and such
8 regulations provide methods and standards by which the
9 Department will utilize its authority under Section
10 404 of this Act;

11 (G-14) For taxable years ending on or after
12 December 31, 2008, an amount equal to the amount of
13 insurance premium expenses and costs otherwise allowed
14 as a deduction in computing base income, and that were
15 paid, accrued, or incurred, directly or indirectly, to
16 a person who would be a member of the same unitary
17 business group but for the fact that the person is
18 prohibited under Section 1501(a)(27) from being
19 included in the unitary business group because he or
20 she is ordinarily required to apportion business
21 income under different subsections of Section 304. The
22 addition modification required by this subparagraph
23 shall be reduced to the extent that dividends were
24 included in base income of the unitary group for the
25 same taxable year and received by the taxpayer or by a
26 member of the taxpayer's unitary business group

1 (including amounts included in gross income under
2 Sections 951 through 964 of the Internal Revenue Code
3 and amounts included in gross income under Section 78
4 of the Internal Revenue Code) with respect to the
5 stock of the same person to whom the premiums and costs
6 were directly or indirectly paid, incurred, or

7 accrued. The preceding sentence does not apply to the
8 extent that the same dividends caused a reduction to
9 the addition modification required under Section
10 203(c)(2)(G-12) or Section 203(c)(2)(G-13) of this
11 Act;

12 (G-15) An amount equal to the credit allowable to
13 the taxpayer under Section 218(a) of this Act,
14 determined without regard to Section 218(c) of this
15 Act;

16 (G-16) For taxable years ending on or after
17 December 31, 2017, an amount equal to the deduction
18 allowed under Section 199 of the Internal Revenue Code
19 for the taxable year;

20 (G-17) the amount that is claimed as a federal
21 deduction when computing the taxpayer's federal
22 taxable income for the taxable year and that is
23 attributable to an endowment gift for which the
24 taxpayer receives a credit under the Illinois Gives
25 Tax Credit Act;

26 (G-18) For taxable years ending on and after

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1 December 31, 2026, an amount equal to the amount of
2 gain excluded from gross income under Section 1202 of
3 the Internal Revenue Code;

4 and by deducting from the total so obtained the sum of the
5 following amounts:

6 (H) An amount equal to all amounts included in
7 such total pursuant to the provisions of Sections
8 402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408
9 of the Internal Revenue Code or included in such total
10 as distributions under the provisions of any
11 retirement or disability plan for employees of any
12 governmental agency or unit, or retirement payments to
13 retired partners, which payments are excluded in
14 computing net earnings from self employment by Section
15 1402 of the Internal Revenue Code and regulations
16 adopted pursuant thereto;

17 (I) The valuation limitation amount;

18 (J) An amount equal to the amount of any tax

19 imposed by this Act which was refunded to the taxpayer
20 and included in such total for the taxable year;

21 (K) An amount equal to all amounts included in
22 taxable income as modified by subparagraphs (A), (B),
23 (C), (D), (E), (F) and (G) which are exempt from
24 taxation by this State either by reason of its
25 statutes or Constitution or by reason of the
26 Constitution, treaties or statutes of the United

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1 States; provided that, in the case of any statute of
2 this State that exempts income derived from bonds or
3 other obligations from the tax imposed under this Act,
4 the amount exempted shall be the interest net of bond
5 premium amortization;

6 (L) With the exception of any amounts subtracted
7 under subparagraph (K), an amount equal to the sum of
8 all amounts disallowed as deductions by (i) Sections
9 171(a)(2) and 265(a)(2) of the Internal Revenue Code,
10 and all amounts of expenses allocable to interest and
11 disallowed as deductions by Section 265(a)(1) of the
12 Internal Revenue Code; and (ii) for taxable years
13 ending on or after August 13, 1999, Sections
14 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the
15 Internal Revenue Code, plus, (iii) for taxable years
16 ending on or after December 31, 2011, Section
17 45G(e)(3) of the Internal Revenue Code and, for
18 taxable years ending on or after December 31, 2008,
19 any amount included in gross income under Section 87
20 of the Internal Revenue Code; the provisions of this
21 subparagraph are exempt from the provisions of Section
22 250;

23 (M) An amount equal to those dividends included in
24 such total which were paid by a corporation which
25 conducts business operations in a River Edge
26 Redevelopment Zone or zones created under the River

1 Edge Redevelopment Zone Act and conducts substantially
2 all of its operations in a River Edge Redevelopment
3 Zone or zones. This subparagraph (M) is exempt from
4 the provisions of Section 250;

5 (N) An amount equal to any contribution made to a
6 job training project established pursuant to the Tax
7 Increment Allocation Redevelopment Act;

8 (O) An amount equal to those dividends included in
9 such total that were paid by a corporation that
10 conducts business operations in a federally designated
11 Foreign Trade Zone or Sub-Zone and that is designated
12 a High Impact Business located in Illinois; provided
13 that dividends eligible for the deduction provided in
14 subparagraph (M) of paragraph (2) of this subsection
15 shall not be eligible for the deduction provided under
16 this subparagraph (O);

17 (P) An amount equal to the amount of the deduction
18 used to compute the federal income tax credit for
19 restoration of substantial amounts held under claim of
20 right for the taxable year pursuant to Section 1341 of
21 the Internal Revenue Code;

22 (Q) For taxable year 1999 and thereafter, an
23 amount equal to the amount of any (i) distributions,
24 to the extent includible in gross income for federal
25 income tax purposes, made to the taxpayer because of
26 his or her status as a victim of persecution for racial

1 or religious reasons by Nazi Germany or any other Axis
2 regime or as an heir of the victim and (ii) items of
3 income, to the extent includible in gross income for
4 federal income tax purposes, attributable to, derived
5 from or in any way related to assets stolen from,
6 hidden from, or otherwise lost to a victim of
7 persecution for racial or religious reasons by Nazi
8 Germany or any other Axis regime immediately prior to,
9 during, and immediately after World War II, including,
10 but not limited to, interest on the proceeds

11 receivable as insurance under policies issued to a
12 victim of persecution for racial or religious reasons
13 by Nazi Germany or any other Axis regime by European
14 insurance companies immediately prior to and during
15 World War II; provided, however, this subtraction from
16 federal adjusted gross income does not apply to assets
17 acquired with such assets or with the proceeds from
18 the sale of such assets; provided, further, this
19 paragraph shall only apply to a taxpayer who was the
20 first recipient of such assets after their recovery
21 and who is a victim of persecution for racial or
22 religious reasons by Nazi Germany or any other Axis
23 regime or as an heir of the victim. The amount of and
24 the eligibility for any public assistance, benefit, or
25 similar entitlement is not affected by the inclusion
26 of items (i) and (ii) of this paragraph in gross income

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1 for federal income tax purposes. This paragraph is
2 exempt from the provisions of Section 250;

3 (R) For taxable years 2001 and thereafter, for the
4 taxable year in which the bonus depreciation deduction
5 is taken on the taxpayer's federal income tax return
6 under subsection (k) or (n) of Section 168 of the
7 Internal Revenue Code and for each applicable taxable
8 year thereafter, an amount equal to "x", where:

9 (1) "y" equals the amount of the depreciation
10 deduction taken for the taxable year on the
11 taxpayer's federal income tax return on property
12 for which the bonus depreciation deduction was
13 taken in any year under subsection (k) or (n) of
14 Section 168 of the Internal Revenue Code, but not
15 including the bonus depreciation deduction;

16 (2) for taxable years ending on or before
17 December 31, 2005, "x" equals "y" multiplied by 30
18 and then divided by 70 (or "y" multiplied by
19 0.429); and

20 (3) for taxable years ending after December
21 31, 2005:

22 (i) for property on which a bonus

23 depreciation deduction of 30% of the adjusted
24 basis was taken, "x" equals "y" multiplied by
25 30 and then divided by 70 (or "y" multiplied
26 by 0.429);

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1 (ii) for property on which a bonus
2 depreciation deduction of 50% of the adjusted
3 basis was taken, "x" equals "y" multiplied by
4 1.0;

5 (iii) for property on which a bonus
6 depreciation deduction of 100% of the adjusted
7 basis was taken in a taxable year ending on or
8 after December 31, 2021, "x" equals the
9 depreciation deduction that would be allowed
10 on that property if the taxpayer had made the
11 election under Section 168(k)(7) or Section
12 168(n)(6) of the Internal Revenue Code to not
13 claim bonus depreciation on that property; and

14 (iv) for property on which a bonus
15 depreciation deduction of a percentage other
16 than 30%, 50% or 100% of the adjusted basis
17 was taken in a taxable year ending on or after
18 December 31, 2021, "x" equals "y" multiplied
19 by 100 times the percentage bonus depreciation
20 on the property (that is, $100(\text{bonus}\%)$) and
21 then divided by 100 times 1 minus the
22 percentage bonus depreciation on the property
23 (that is, $100(1-\text{bonus}\%)$).

24 The aggregate amount deducted under this
25 subparagraph in all taxable years for any one piece of
26 property may not exceed the amount of the bonus

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1 depreciation deduction taken on that property on the
2 taxpayer's federal income tax return under subsection

3 (k) or (n) of Section 168 of the Internal Revenue Code.
4 This subparagraph (R) is exempt from the provisions of
5 Section 250;

6 (S) If the taxpayer sells, transfers, abandons, or
7 otherwise disposes of property for which the taxpayer
8 was required in any taxable year to make an addition
9 modification under subparagraph (G-10), then an amount
10 equal to that addition modification.

11 If the taxpayer continues to own property through
12 the last day of the last tax year for which a
13 subtraction is allowed with respect to that property
14 under subparagraph (R) and for which the taxpayer was
15 required in any taxable year to make an addition
16 modification under subparagraph (G-10), then an amount
17 equal to that addition modification.

18 The taxpayer is allowed to take the deduction
19 under this subparagraph only once with respect to any
20 one piece of property.

21 This subparagraph (S) is exempt from the
22 provisions of Section 250;

23 (T) The amount of (i) any interest income (net of
24 the deductions allocable thereto) taken into account
25 for the taxable year with respect to a transaction
26 with a taxpayer that is required to make an addition

1 modification with respect to such transaction under
2 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
3 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
4 the amount of such addition modification and (ii) any
5 income from intangible property (net of the deductions
6 allocable thereto) taken into account for the taxable
7 year with respect to a transaction with a taxpayer
8 that is required to make an addition modification with
9 respect to such transaction under Section
10 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
11 203(d)(2)(D-8), but not to exceed the amount of such
12 addition modification. This subparagraph (T) is exempt
13 from the provisions of Section 250;

14 (U) An amount equal to the interest income taken

15 into account for the taxable year (net of the
16 deductions allocable thereto) with respect to
17 transactions with (i) a foreign person who would be a
18 member of the taxpayer's unitary business group but
19 for the fact the foreign person's business activity
20 outside the United States is 80% or more of that
21 person's total business activity and (ii) for taxable
22 years ending on or after December 31, 2008, to a person
23 who would be a member of the same unitary business
24 group but for the fact that the person is prohibited
25 under Section 1501(a)(27) from being included in the
26 unitary business group because he or she is ordinarily

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1 required to apportion business income under different
2 subsections of Section 304, but not to exceed the
3 addition modification required to be made for the same
4 taxable year under Section 203(c)(2)(G-12) for
5 interest paid, accrued, or incurred, directly or
6 indirectly, to the same person. This subparagraph (U)
7 is exempt from the provisions of Section 250;

8 (V) An amount equal to the income from intangible
9 property taken into account for the taxable year (net
10 of the deductions allocable thereto) with respect to
11 transactions with (i) a foreign person who would be a
12 member of the taxpayer's unitary business group but
13 for the fact that the foreign person's business
14 activity outside the United States is 80% or more of
15 that person's total business activity and (ii) for
16 taxable years ending on or after December 31, 2008, to
17 a person who would be a member of the same unitary
18 business group but for the fact that the person is
19 prohibited under Section 1501(a)(27) from being
20 included in the unitary business group because he or
21 she is ordinarily required to apportion business
22 income under different subsections of Section 304, but
23 not to exceed the addition modification required to be
24 made for the same taxable year under Section
25 203(c)(2)(G-13) for intangible expenses and costs
26 paid, accrued, or incurred, directly or indirectly, to

1 the same foreign person. This subparagraph (V) is
2 exempt from the provisions of Section 250;

3 (W) in the case of an estate, an amount equal to
4 all amounts included in such total pursuant to the
5 provisions of Section 111 of the Internal Revenue Code
6 as a recovery of items previously deducted by the
7 decedent from adjusted gross income in the computation
8 of taxable income. This subparagraph (W) is exempt
9 from Section 250;

10 (X) an amount equal to the refund included in such
11 total of any tax deducted for federal income tax
12 purposes, to the extent that deduction was added back
13 under subparagraph (F). This subparagraph (X) is
14 exempt from the provisions of Section 250;

15 (Y) For taxable years ending on or after December
16 31, 2011, in the case of a taxpayer who was required to
17 add back any insurance premiums under Section
18 203(c)(2)(G-14), such taxpayer may elect to subtract
19 that part of a reimbursement received from the
20 insurance company equal to the amount of the expense
21 or loss (including expenses incurred by the insurance
22 company) that would have been taken into account as a
23 deduction for federal income tax purposes if the
24 expense or loss had been uninsured. If a taxpayer
25 makes the election provided for by this subparagraph
26 (Y), the insurer to which the premiums were paid must

1 add back to income the amount subtracted by the
2 taxpayer pursuant to this subparagraph (Y). This
3 subparagraph (Y) is exempt from the provisions of
4 Section 250;

5 (Z) For taxable years beginning after December 31,
6 2018, the amount of excess business loss of the

7 taxpayer disallowed as a deduction by Section
8 461(l)(1)(B) of the Internal Revenue Code; and
9 (AA) For taxable years beginning on or after
10 January 1, 2023, for any cannabis establishment
11 operating in this State and licensed under the
12 Cannabis Regulation and Tax Act or any cannabis
13 cultivation center or medical cannabis dispensing
14 organization operating in this State and licensed
15 under the Compassionate Use of Medical Cannabis
16 Program Act, an amount equal to the deductions that
17 were disallowed under Section 280E of the Internal
18 Revenue Code for the taxable year and that would not be
19 added back under this subsection. The provisions of
20 this subparagraph (AA) are exempt from the provisions
21 of Section 250.

22 (3) Limitation. The amount of any modification
23 otherwise required under this subsection shall, under
24 regulations prescribed by the Department, be adjusted by
25 any amounts included therein which were properly paid,
26 credited, or required to be distributed, or permanently

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1 set aside for charitable purposes pursuant to Internal
2 Revenue Code Section 642(c) during the taxable year.

3 (d) Partnerships.

4 (1) In general. In the case of a partnership, base
5 income means an amount equal to the taxpayer's taxable
6 income for the taxable year as modified by paragraph (2).

7 (2) Modifications. The taxable income referred to in
8 paragraph (1) shall be modified by adding thereto the sum
9 of the following amounts:

10 (A) An amount equal to all amounts paid or accrued
11 to the taxpayer as interest or dividends during the
12 taxable year to the extent excluded from gross income
13 in the computation of taxable income;

14 (B) An amount equal to the amount of tax imposed by
15 this Act to the extent deducted from gross income for
16 the taxable year;

17 (C) The amount of deductions allowed to the

18 partnership pursuant to Section 707 (c) of the
19 Internal Revenue Code in calculating its taxable
20 income;

21 (D) An amount equal to the amount of the capital
22 gain deduction allowable under the Internal Revenue
23 Code, to the extent deducted from gross income in the
24 computation of taxable income;

25 (D-5) For taxable years 2001 through 2025, an

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1 amount equal to the bonus depreciation deduction taken
2 on the taxpayer's federal income tax return for the
3 taxable year under subsection (k) of Section 168 of
4 the Internal Revenue Code; for taxable years 2026 and
5 thereafter, an amount equal to the bonus depreciation
6 deduction taken on the taxpayer's federal income tax
7 return for the taxable year under subsection (k) or
8 (n) of Section 168 of the Internal Revenue Code;

9 (D-6) If the taxpayer sells, transfers, abandons,
10 or otherwise disposes of property for which the
11 taxpayer was required in any taxable year to make an
12 addition modification under subparagraph (D-5), then
13 an amount equal to the aggregate amount of the
14 deductions taken in all taxable years under
15 subparagraph (0) with respect to that property.

16 If the taxpayer continues to own property through
17 the last day of the last tax year for which a
18 subtraction is allowed with respect to that property
19 under subparagraph (0) and for which the taxpayer was
20 allowed in any taxable year to make a subtraction
21 modification under subparagraph (0), then an amount
22 equal to that subtraction modification.

23 The taxpayer is required to make the addition
24 modification under this subparagraph only once with
25 respect to any one piece of property;

26 (D-7) An amount equal to the amount otherwise

1 allowed as a deduction in computing base income for
2 interest paid, accrued, or incurred, directly or
3 indirectly, (i) for taxable years ending on or after
4 December 31, 2004, to a foreign person who would be a
5 member of the same unitary business group but for the
6 fact the foreign person's business activity outside
7 the United States is 80% or more of the foreign
8 person's total business activity and (ii) for taxable
9 years ending on or after December 31, 2008, to a person
10 who would be a member of the same unitary business
11 group but for the fact that the person is prohibited
12 under Section 1501(a)(27) from being included in the
13 unitary business group because he or she is ordinarily
14 required to apportion business income under different
15 subsections of Section 304. The addition modification
16 required by this subparagraph shall be reduced to the
17 extent that dividends were included in base income of
18 the unitary group for the same taxable year and
19 received by the taxpayer or by a member of the
20 taxpayer's unitary business group (including amounts
21 included in gross income pursuant to Sections 951
22 through 964 of the Internal Revenue Code and amounts
23 included in gross income under Section 78 of the
24 Internal Revenue Code) with respect to the stock of
25 the same person to whom the interest was paid,
26 accrued, or incurred. For taxable years ending on and

1 after December 31, 2025, for purposes of applying this
2 paragraph in the case of a taxpayer to which Section
3 163(j) of the Internal Revenue Code applies for the
4 taxable year, the reduction in the amount of interest
5 for which a deduction is allowed by reason of Section
6 163(j) shall be treated as allocable first to persons
7 who are not foreign persons referred to in this
8 paragraph and then to such foreign persons.

9 For taxable years ending before December 31, 2025,
10 this paragraph shall not apply to the following:

11 (i) an item of interest paid, accrued, or
12 incurred, directly or indirectly, to a person who
13 is subject in a foreign country or state, other
14 than a state which requires mandatory unitary
15 reporting, to a tax on or measured by net income
16 with respect to such interest; or

17 (ii) an item of interest paid, accrued, or
18 incurred, directly or indirectly, to a person if
19 the taxpayer can establish, based on a
20 preponderance of the evidence, both of the
21 following:

22 (a) the person, during the same taxable
23 year, paid, accrued, or incurred, the interest
24 to a person that is not a related member, and

25 (b) the transaction giving rise to the
26 interest expense between the taxpayer and the

1 person did not have as a principal purpose the
2 avoidance of Illinois income tax, and is paid
3 pursuant to a contract or agreement that
4 reflects an arm's-length interest rate and
5 terms; or

6 (iii) the taxpayer can establish, based on
7 clear and convincing evidence, that the interest
8 paid, accrued, or incurred relates to a contract
9 or agreement entered into at arm's-length rates
10 and terms and the principal purpose for the
11 payment is not federal or Illinois tax avoidance;
12 or

13 (iv) an item of interest paid, accrued, or
14 incurred, directly or indirectly, to a person if
15 the taxpayer establishes by clear and convincing
16 evidence that the adjustments are unreasonable; or
17 if the taxpayer and the Director agree in writing
18 to the application or use of an alternative method
19 of apportionment under Section 304(f).

20 For taxable years ending on or after December 31,
21 2025, this paragraph shall not apply to the following:

22 (i) an item of interest paid, accrued, or

23 incurred, directly or indirectly, to a person if
24 the taxpayer can establish, based on a
25 preponderance of the evidence, both of the
26 following:

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1 (a) the person, during the same taxable
2 year, paid, accrued, or incurred, the interest
3 to a person that is not a related member, and

4 (b) the transaction giving rise to the
5 interest expense between the taxpayer and the
6 person did not have as a principal purpose the
7 avoidance of Illinois income tax, and is paid
8 pursuant to a contract or agreement that
9 reflects an arm's-length interest rate and
10 terms; or

11 (ii) an item of interest paid, accrued, or
12 incurred, directly or indirectly, to a person if
13 the taxpayer establishes by clear and convincing
14 evidence that the adjustments are unreasonable; or
15 if the taxpayer and the Director agree in writing
16 to the application or use of an alternative method
17 of apportionment under Section 304(f).

18 Nothing in this subsection shall preclude the
19 Director from making any other adjustment otherwise
20 allowed under Section 404 of this Act for any tax year
21 beginning after the effective date of this amendment
22 provided such adjustment is made pursuant to
23 regulation adopted by the Department and such
24 regulations provide methods and standards by which the
25 Department will utilize its authority under Section
26 404 of this Act; and

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1 (D-8) An amount equal to the amount of intangible
2 expenses and costs otherwise allowed as a deduction in

3 computing base income, and that were paid, accrued, or
4 incurred, directly or indirectly, (i) for taxable
5 years ending on or after December 31, 2004, to a
6 foreign person who would be a member of the same
7 unitary business group but for the fact that the
8 foreign person's business activity outside the United
9 States is 80% or more of that person's total business
10 activity and (ii) for taxable years ending on or after
11 December 31, 2008, to a person who would be a member of
12 the same unitary business group but for the fact that
13 the person is prohibited under Section 1501(a)(27)
14 from being included in the unitary business group
15 because he or she is ordinarily required to apportion
16 business income under different subsections of Section
17 304. The addition modification required by this
18 subparagraph shall be reduced to the extent that
19 dividends were included in base income of the unitary
20 group for the same taxable year and received by the
21 taxpayer or by a member of the taxpayer's unitary
22 business group (including amounts included in gross
23 income pursuant to Sections 951 through 964 of the
24 Internal Revenue Code and amounts included in gross
25 income under Section 78 of the Internal Revenue Code)
26 with respect to the stock of the same person to whom

1 the intangible expenses and costs were directly or
2 indirectly paid, incurred or accrued. The preceding
3 sentence shall not apply to the extent that the same
4 dividends caused a reduction to the addition
5 modification required under Section 203(d)(2)(D-7) of
6 this Act. As used in this subparagraph, the term
7 "intangible expenses and costs" includes (1) expenses,
8 losses, and costs for, or related to, the direct or
9 indirect acquisition, use, maintenance or management,
10 ownership, sale, exchange, or any other disposition of
11 intangible property; (2) losses incurred, directly or
12 indirectly, from factoring transactions or discounting
13 transactions; (3) royalty, patent, technical, and
14 copyright fees; (4) licensing fees; and (5) other

15 similar expenses and costs. For purposes of this
16 subparagraph, "intangible property" includes patents,
17 patent applications, trade names, trademarks, service
18 marks, copyrights, mask works, trade secrets, and
19 similar types of intangible assets;

20 For taxable years ending on or after December 31,
21 2025, this paragraph shall not apply to the following:

22 (i) any item of intangible expenses or costs
23 paid, accrued, or incurred, directly or
24 indirectly, from a transaction with a person who
25 is subject in a foreign country or state, other
26 than a state which requires mandatory unitary

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1 reporting, to a tax on or measured by net income
2 with respect to such item; or

3 (ii) any item of intangible expense or cost
4 paid, accrued, or incurred, directly or
5 indirectly, if the taxpayer can establish, based
6 on a preponderance of the evidence, both of the
7 following:

8 (a) the person during the same taxable
9 year paid, accrued, or incurred, the
10 intangible expense or cost to a person that is
11 not a related member, and

12 (b) the transaction giving rise to the
13 intangible expense or cost between the
14 taxpayer and the person did not have as a
15 principal purpose the avoidance of Illinois
16 income tax, and is paid pursuant to a contract
17 or agreement that reflects arm's-length terms;
18 or

19 (iii) any item of intangible expense or cost
20 paid, accrued, or incurred, directly or
21 indirectly, from a transaction with a person if
22 the taxpayer establishes by clear and convincing
23 evidence, that the adjustments are unreasonable;
24 or if the taxpayer and the Director agree in
25 writing to the application or use of an
26 alternative method of apportionment under Section

1 304(f);

2 For taxable years ending on or after December 31,
3 2025, this paragraph shall not apply to the following:

4 (i) any item of intangible expense or cost
5 paid, accrued, or incurred, directly or
6 indirectly, if the taxpayer can establish, based
7 on a preponderance of the evidence, both of the
8 following:

9 (a) the person during the same taxable
10 year paid, accrued, or incurred, the
11 intangible expense or cost to a person that is
12 not a related member, and

13 (b) the transaction giving rise to the
14 intangible expense or cost between the
15 taxpayer and the person did not have as a
16 principal purpose the avoidance of Illinois
17 income tax, and is paid pursuant to a contract
18 or agreement that reflects arm's-length terms;
19 or

20 (ii) any item of intangible expense or cost
21 paid, accrued, or incurred, directly or
22 indirectly, from a transaction with a person if
23 the taxpayer establishes by clear and convincing
24 evidence, that the adjustments are unreasonable;
25 or if the taxpayer and the Director agree in
26 writing to the application or use of an

1 alternative method of apportionment under Section
2 304(f).

3 Nothing in this subsection shall preclude the
4 Director from making any other adjustment otherwise
5 allowed under Section 404 of this Act for any tax year
6 beginning after the effective date of this amendment

7 provided such adjustment is made pursuant to
8 regulation adopted by the Department and such
9 regulations provide methods and standards by which the
10 Department will utilize its authority under Section
11 404 of this Act;

12 (D-9) For taxable years ending on or after
13 December 31, 2008, an amount equal to the amount of
14 insurance premium expenses and costs otherwise allowed
15 as a deduction in computing base income, and that were
16 paid, accrued, or incurred, directly or indirectly, to
17 a person who would be a member of the same unitary
18 business group but for the fact that the person is
19 prohibited under Section 1501(a)(27) from being
20 included in the unitary business group because he or
21 she is ordinarily required to apportion business
22 income under different subsections of Section 304. The
23 addition modification required by this subparagraph
24 shall be reduced to the extent that dividends were
25 included in base income of the unitary group for the
26 same taxable year and received by the taxpayer or by a

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1 member of the taxpayer's unitary business group
2 (including amounts included in gross income under
3 Sections 951 through 964 of the Internal Revenue Code
4 and amounts included in gross income under Section 78
5 of the Internal Revenue Code) with respect to the
6 stock of the same person to whom the premiums and costs
7 were directly or indirectly paid, incurred, or
8 accrued. The preceding sentence does not apply to the
9 extent that the same dividends caused a reduction to
10 the addition modification required under Section
11 203(d)(2)(D-7) or Section 203(d)(2)(D-8) of this Act;

12 (D-10) An amount equal to the credit allowable to
13 the taxpayer under Section 218(a) of this Act,
14 determined without regard to Section 218(c) of this
15 Act;

16 (D-11) For taxable years ending on or after
17 December 31, 2017, an amount equal to the deduction
18 allowed under Section 199 of the Internal Revenue Code

19 for the taxable year;
20 (D-12) the amount that is claimed as a federal
21 deduction when computing the taxpayer's federal
22 taxable income for the taxable year and that is
23 attributable to an endowment gift for which the
24 taxpayer receives a credit under the Illinois Gives
25 Tax Credit Act;
26 (D-13) For taxable years ending on and after

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1 December 31, 2026, an amount equal to the amount of
2 gain excluded from gross income under Section 1202 of
3 the Internal Revenue Code;
4 and by deducting from the total so obtained the following
5 amounts:

- 6 (E) The valuation limitation amount;
- 7 (F) An amount equal to the amount of any tax
8 imposed by this Act which was refunded to the taxpayer
9 and included in such total for the taxable year;
- 10 (G) An amount equal to all amounts included in
11 taxable income as modified by subparagraphs (A), (B),
12 (C) and (D) which are exempt from taxation by this
13 State either by reason of its statutes or Constitution
14 or by reason of the Constitution, treaties or statutes
15 of the United States; provided that, in the case of any
16 statute of this State that exempts income derived from
17 bonds or other obligations from the tax imposed under
18 this Act, the amount exempted shall be the interest
19 net of bond premium amortization;
- 20 (H) Any income of the partnership which
21 constitutes personal service income as defined in
22 Section 1348(b)(1) of the Internal Revenue Code (as in
23 effect December 31, 1981) or a reasonable allowance
24 for compensation paid or accrued for services rendered
25 by partners to the partnership, whichever is greater;
26 this subparagraph (H) is exempt from the provisions of

1 Section 250;

2 (I) An amount equal to all amounts of income
3 distributable to an entity subject to the Personal
4 Property Tax Replacement Income Tax imposed by
5 subsections (c) and (d) of Section 201 of this Act
6 including amounts distributable to organizations
7 exempt from federal income tax by reason of Section
8 501(a) of the Internal Revenue Code; this subparagraph
9 (I) is exempt from the provisions of Section 250;

10 (J) With the exception of any amounts subtracted
11 under subparagraph (G), an amount equal to the sum of
12 all amounts disallowed as deductions by (i) Sections
13 171(a)(2) and 265(a)(2) of the Internal Revenue Code,
14 and all amounts of expenses allocable to interest and
15 disallowed as deductions by Section 265(a)(1) of the
16 Internal Revenue Code; and (ii) for taxable years
17 ending on or after August 13, 1999, Sections
18 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the
19 Internal Revenue Code, plus, (iii) for taxable years
20 ending on or after December 31, 2011, Section
21 45G(e)(3) of the Internal Revenue Code and, for
22 taxable years ending on or after December 31, 2008,
23 any amount included in gross income under Section 87
24 of the Internal Revenue Code; the provisions of this
25 subparagraph are exempt from the provisions of Section
26 250;

1 (K) An amount equal to those dividends included in
2 such total which were paid by a corporation which
3 conducts business operations in a River Edge
4 Redevelopment Zone or zones created under the River
5 Edge Redevelopment Zone Act and conducts substantially
6 all of its operations from a River Edge Redevelopment
7 Zone or zones. This subparagraph (K) is exempt from
8 the provisions of Section 250;

9 (L) An amount equal to any contribution made to a
10 job training project established pursuant to the Real

Property Tax Increment Allocation Redevelopment Act;
(M) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (K) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (M);

(N) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code;

(O) For taxable years 2001 and thereafter, for the

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taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) or (n) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) or (n) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied

23 by 0.429);
24 (ii) for property on which a bonus
25 depreciation deduction of 50% of the adjusted
26 basis was taken, "x" equals "y" multiplied by

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1 1.0;
2 (iii) for property on which a bonus
3 depreciation deduction of 100% of the adjusted
4 basis was taken in a taxable year ending on or
5 after December 31, 2021, "x" equals the
6 depreciation deduction that would be allowed
7 on that property if the taxpayer had made the
8 election under Section 168(k)(7) or Section
9 168(n)(6) of the Internal Revenue Code to not
10 claim bonus depreciation on that property; and
11 (iv) for property on which a bonus
12 depreciation deduction of a percentage other
13 than 30%, 50% or 100% of the adjusted basis
14 was taken in a taxable year ending on or after
15 December 31, 2021, "x" equals "y" multiplied
16 by 100 times the percentage bonus depreciation
17 on the property (that is, $100(\text{bonus}\%)$) and
18 then divided by 100 times 1 minus the
19 percentage bonus depreciation on the property
20 (that is, $100(1-\text{bonus}\%)$).

21 The aggregate amount deducted under this
22 subparagraph in all taxable years for any one piece of
23 property may not exceed the amount of the bonus
24 depreciation deduction taken on that property on the
25 taxpayer's federal income tax return under subsection
26 (k) or (n) of Section 168 of the Internal Revenue Code.

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1 This subparagraph (0) is exempt from the provisions of
2 Section 250;

3 (P) If the taxpayer sells, transfers, abandons, or
4 otherwise disposes of property for which the taxpayer
5 was required in any taxable year to make an addition
6 modification under subparagraph (D-5), then an amount
7 equal to that addition modification.

8 If the taxpayer continues to own property through
9 the last day of the last tax year for which a
10 subtraction is allowed with respect to that property
11 under subparagraph (O) and for which the taxpayer was
12 required in any taxable year to make an addition
13 modification under subparagraph (D-5), then an amount
14 equal to that addition modification.

15 The taxpayer is allowed to take the deduction
16 under this subparagraph only once with respect to any
17 one piece of property.

18 This subparagraph (P) is exempt from the
19 provisions of Section 250;

20 (Q) The amount of (i) any interest income (net of
21 the deductions allocable thereto) taken into account
22 for the taxable year with respect to a transaction
23 with a taxpayer that is required to make an addition
24 modification with respect to such transaction under
25 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
26 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed

1 the amount of such addition modification and (ii) any
2 income from intangible property (net of the deductions
3 allocable thereto) taken into account for the taxable
4 year with respect to a transaction with a taxpayer
5 that is required to make an addition modification with
6 respect to such transaction under Section
7 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
8 203(d)(2)(D-8), but not to exceed the amount of such
9 addition modification. This subparagraph (Q) is exempt
10 from Section 250;

11 (R) An amount equal to the interest income taken
12 into account for the taxable year (net of the
13 deductions allocable thereto) with respect to
14 transactions with (i) a foreign person who would be a

15 member of the taxpayer's unitary business group but
16 for the fact that the foreign person's business
17 activity outside the United States is 80% or more of
18 that person's total business activity and (ii) for
19 taxable years ending on or after December 31, 2008, to
20 a person who would be a member of the same unitary
21 business group but for the fact that the person is
22 prohibited under Section 1501(a)(27) from being
23 included in the unitary business group because he or
24 she is ordinarily required to apportion business
25 income under different subsections of Section 304, but
26 not to exceed the addition modification required to be

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1 made for the same taxable year under Section
2 203(d)(2)(D-7) for interest paid, accrued, or
3 incurred, directly or indirectly, to the same person.
4 This subparagraph (R) is exempt from Section 250;

5 (S) An amount equal to the income from intangible
6 property taken into account for the taxable year (net
7 of the deductions allocable thereto) with respect to
8 transactions with (i) a foreign person who would be a
9 member of the taxpayer's unitary business group but
10 for the fact that the foreign person's business
11 activity outside the United States is 80% or more of
12 that person's total business activity and (ii) for
13 taxable years ending on or after December 31, 2008, to
14 a person who would be a member of the same unitary
15 business group but for the fact that the person is
16 prohibited under Section 1501(a)(27) from being
17 included in the unitary business group because he or
18 she is ordinarily required to apportion business
19 income under different subsections of Section 304, but
20 not to exceed the addition modification required to be
21 made for the same taxable year under Section
22 203(d)(2)(D-8) for intangible expenses and costs paid,
23 accrued, or incurred, directly or indirectly, to the
24 same person. This subparagraph (S) is exempt from
25 Section 250;

26 (T) For taxable years ending on or after December

1 31, 2011, in the case of a taxpayer who was required to
2 add back any insurance premiums under Section
3 203(d)(2)(D-9), such taxpayer may elect to subtract
4 that part of a reimbursement received from the
5 insurance company equal to the amount of the expense
6 or loss (including expenses incurred by the insurance
7 company) that would have been taken into account as a
8 deduction for federal income tax purposes if the
9 expense or loss had been uninsured. If a taxpayer
10 makes the election provided for by this subparagraph
11 (T), the insurer to which the premiums were paid must
12 add back to income the amount subtracted by the
13 taxpayer pursuant to this subparagraph (T). This
14 subparagraph (T) is exempt from the provisions of
15 Section 250; and

16 (U) For taxable years beginning on or after
17 January 1, 2023, for any cannabis establishment
18 operating in this State and licensed under the
19 Cannabis Regulation and Tax Act or any cannabis
20 cultivation center or medical cannabis dispensing
21 organization operating in this State and licensed
22 under the Compassionate Use of Medical Cannabis
23 Program Act, an amount equal to the deductions that
24 were disallowed under Section 280E of the Internal
25 Revenue Code for the taxable year and that would not be
26 added back under this subsection. The provisions of

1 this subparagraph (U) are exempt from the provisions
2 of Section 250.

3 (e) Gross income; adjusted gross income; taxable income.

4 (1) In general. Subject to the provisions of paragraph
5 (2) and subsection (b)(3), for purposes of this Section

6 and Section 803(e), a taxpayer's gross income, adjusted
7 gross income, or taxable income for the taxable year shall
8 mean the amount of gross income, adjusted gross income or
9 taxable income properly reportable for federal income tax
10 purposes for the taxable year under the provisions of the
11 Internal Revenue Code. Taxable income may be less than
12 zero. However, for taxable years ending on or after
13 December 31, 1986, net operating loss carryforwards from
14 taxable years ending prior to December 31, 1986, may not
15 exceed the sum of federal taxable income for the taxable
16 year before net operating loss deduction, plus the excess
17 of addition modifications over subtraction modifications
18 for the taxable year. For taxable years ending prior to
19 December 31, 1986, taxable income may never be an amount
20 in excess of the net operating loss for the taxable year as
21 defined in subsections (c) and (d) of Section 172 of the
22 Internal Revenue Code, provided that when taxable income
23 of a corporation (other than a Subchapter S corporation),
24 trust, or estate is less than zero and addition
25 modifications, other than those provided by subparagraph

1 (E) of paragraph (2) of subsection (b) for corporations or
2 subparagraph (E) of paragraph (2) of subsection (c) for
3 trusts and estates, exceed subtraction modifications, an
4 addition modification must be made under those
5 subparagraphs for any other taxable year to which the
6 taxable income less than zero (net operating loss) is
7 applied under Section 172 of the Internal Revenue Code or
8 under subparagraph (E) of paragraph (2) of this subsection
9 (e) applied in conjunction with Section 172 of the
10 Internal Revenue Code.

11 (2) Special rule. For purposes of paragraph (1) of
12 this subsection, the taxable income properly reportable
13 for federal income tax purposes shall mean:

14 (A) Certain life insurance companies. In the case
15 of a life insurance company subject to the tax imposed
16 by Section 801 of the Internal Revenue Code, life
17 insurance company taxable income, plus the amount of
18 distribution from pre-1984 policyholder surplus

19 accounts as calculated under Section 815a of the
20 Internal Revenue Code;

21 (B) Certain other insurance companies. In the case
22 of mutual insurance companies subject to the tax
23 imposed by Section 831 of the Internal Revenue Code,
24 insurance company taxable income;

25 (C) Regulated investment companies. In the case of
26 a regulated investment company subject to the tax

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1 imposed by Section 852 of the Internal Revenue Code,
2 investment company taxable income;

3 (D) Real estate investment trusts. In the case of
4 a real estate investment trust subject to the tax
5 imposed by Section 857 of the Internal Revenue Code,
6 real estate investment trust taxable income;

7 (E) Consolidated corporations. In the case of a
8 corporation which is a member of an affiliated group
9 of corporations filing a consolidated income tax
10 return for the taxable year for federal income tax
11 purposes, taxable income determined as if such
12 corporation had filed a separate return for federal
13 income tax purposes for the taxable year and each
14 preceding taxable year for which it was a member of an
15 affiliated group. For purposes of this subparagraph,
16 the taxpayer's separate taxable income shall be
17 determined as if the election provided by Section
18 243(b)(2) of the Internal Revenue Code had been in
19 effect for all such years;

20 (F) Cooperatives. In the case of a cooperative
21 corporation or association, the taxable income of such
22 organization determined in accordance with the
23 provisions of Section 1381 through 1388 of the
24 Internal Revenue Code, but without regard to the
25 prohibition against offsetting losses from patronage
26 activities against income from nonpatronage

1 activities; except that a cooperative corporation or
2 association may make an election to follow its federal
3 income tax treatment of patronage losses and
4 nonpatronage losses. In the event such election is
5 made, such losses shall be computed and carried over
6 in a manner consistent with subsection (a) of Section
7 207 of this Act and apportioned by the apportionment
8 factor reported by the cooperative on its Illinois
9 income tax return filed for the taxable year in which
10 the losses are incurred. The election shall be
11 effective for all taxable years with original returns
12 due on or after the date of the election. In addition,
13 the cooperative may file an amended return or returns,
14 as allowed under this Act, to provide that the
15 election shall be effective for losses incurred or
16 carried forward for taxable years occurring prior to
17 the date of the election. Once made, the election may
18 only be revoked upon approval of the Director. The
19 Department shall adopt rules setting forth
20 requirements for documenting the elections and any
21 resulting Illinois net loss and the standards to be
22 used by the Director in evaluating requests to revoke
23 elections. Public Act 96-932 is declaratory of
24 existing law;

25 (G) Subchapter S corporations. In the case of: (i)
26 a Subchapter S corporation for which there is in

1 effect an election for the taxable year under Section
2 1362 of the Internal Revenue Code, the taxable income
3 of such corporation determined in accordance with
4 Section 1363(b) of the Internal Revenue Code, except
5 that taxable income shall take into account those
6 items which are required by Section 1363(b)(1) of the
7 Internal Revenue Code to be separately stated; and
8 (ii) a Subchapter S corporation for which there is in
9 effect a federal election to opt out of the provisions
10 of the Subchapter S Revision Act of 1982 and have

11 applied instead the prior federal Subchapter S rules
12 as in effect on July 1, 1982, the taxable income of
13 such corporation determined in accordance with the
14 federal Subchapter S rules as in effect on July 1,
15 1982; and

16 (H) Partnerships. In the case of a partnership,
17 taxable income determined in accordance with Section
18 703 of the Internal Revenue Code, except that taxable
19 income shall take into account those items which are
20 required by Section 703(a)(1) to be separately stated
21 but which would be taken into account by an individual
22 in calculating his taxable income.

23 (3) Recapture of business expenses on disposition of
24 asset or business. Notwithstanding any other law to the
25 contrary, if in prior years income from an asset or
26 business has been classified as business income and in a

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1 later year is demonstrated to be non-business income, then
2 all expenses, without limitation, deducted in such later
3 year and in the 2 immediately preceding taxable years
4 related to that asset or business that generated the
5 non-business income shall be added back and recaptured as
6 business income in the year of the disposition of the
7 asset or business. Such amount shall be apportioned to
8 Illinois using the greater of the apportionment fraction
9 computed for the business under Section 304 of this Act
10 for the taxable year or the average of the apportionment
11 fractions computed for the business under Section 304 of
12 this Act for the taxable year and for the 2 immediately
13 preceding taxable years.

14 (f) Valuation limitation amount.

15 (1) In general. The valuation limitation amount
16 referred to in subsections (a)(2)(G), (c)(2)(I) and
17 (d)(2)(E) is an amount equal to:

18 (A) The sum of the pre-August 1, 1969 appreciation
19 amounts (to the extent consisting of gain reportable
20 under the provisions of Section 1245 or 1250 of the
21 Internal Revenue Code) for all property in respect of

22 which such gain was reported for the taxable year;
23 plus

24 (B) The lesser of (i) the sum of the pre-August 1,
25 1969 appreciation amounts (to the extent consisting of

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1 capital gain) for all property in respect of which
2 such gain was reported for federal income tax purposes
3 for the taxable year, or (ii) the net capital gain for
4 the taxable year, reduced in either case by any amount
5 of such gain included in the amount determined under
6 subsection (a)(2)(F) or (c)(2)(H).

7 (2) Pre-August 1, 1969 appreciation amount.

8 (A) If the fair market value of property referred
9 to in paragraph (1) was readily ascertainable on
10 August 1, 1969, the pre-August 1, 1969 appreciation
11 amount for such property is the lesser of (i) the
12 excess of such fair market value over the taxpayer's
13 basis (for determining gain) for such property on that
14 date (determined under the Internal Revenue Code as in
15 effect on that date), or (ii) the total gain realized
16 and reportable for federal income tax purposes in
17 respect of the sale, exchange or other disposition of
18 such property.

19 (B) If the fair market value of property referred
20 to in paragraph (1) was not readily ascertainable on
21 August 1, 1969, the pre-August 1, 1969 appreciation
22 amount for such property is that amount which bears
23 the same ratio to the total gain reported in respect of
24 the property for federal income tax purposes for the
25 taxable year, as the number of full calendar months in
26 that part of the taxpayer's holding period for the

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1 property ending July 31, 1969 bears to the number of
2 full calendar months in the taxpayer's entire holding

3 period for the property.

4 (C) The Department shall prescribe such
5 regulations as may be necessary to carry out the
6 purposes of this paragraph.

7 (g) Double deductions. Unless specifically provided
8 otherwise, nothing in this Section shall permit the same item
9 to be deducted more than once.

10 (h) Legislative intention. Except as expressly provided by
11 this Section there shall be no modifications or limitations on
12 the amounts of income, gain, loss or deduction taken into
13 account in determining gross income, adjusted gross income or
14 taxable income for federal income tax purposes for the taxable
15 year, or in the amount of such items entering into the
16 computation of base income and net income under this Act for
17 such taxable year, whether in respect of property values as of
18 August 1, 1969 or otherwise.

19 (Source: P.A. 103-8, eff. 6-7-23; 103-478, eff. 1-1-24;
20 103-592, Article 10, Section 10-900, eff. 6-7-24; 103-592,
21 Article 170, Section 170-90, eff. 6-7-24; 103-605, eff.
22 7-1-24; 103-647, eff. 7-1-24; 104-6, eff. 6-16-25; 104-417,
23 eff. 8-15-25; 104-453, eff. 12-12-25.)

ARTICLE 125

1
2 Section 125-5. The Use Tax Act is amended by changing
3 Sections 3-10 and 9 as follows:

4 (35 ILCS 105/3-10) from Ch. 120, par. 439.33-10

5 Sec. 3-10. Rate of tax. Unless otherwise provided in this
6 Section, the tax imposed by this Act is at the rate of 6.25% of
7 either the selling price or the fair market value, if any, of
8 the tangible personal property, which, on and after January 1,
9 2025, includes leases of tangible personal property. In all
10 cases where property functionally used or consumed is the same
11 as the property that was purchased at retail, then the tax is
12 imposed on the selling price of the property. In all cases

13 where property functionally used or consumed is a by-product
14 or waste product that has been refined, manufactured, or
15 produced from property purchased at retail, then the tax is
16 imposed on the lower of the fair market value, if any, of the
17 specific property so used in this State or on the selling price
18 of the property purchased at retail. For purposes of this
19 Section "fair market value" means the price at which property
20 would change hands between a willing buyer and a willing
21 seller, neither being under any compulsion to buy or sell and
22 both having reasonable knowledge of the relevant facts. The
23 fair market value shall be established by Illinois sales by
24 the taxpayer of the same property as that functionally used or

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

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

8 Beginning on August 6, 2010 through August 15, 2010, and
9 beginning again on August 5, 2022 through August 14, 2022, and
10 beginning again on August 7, 2026 through August 16, 2026,
11 with respect to sales tax holiday items as defined in Section
12 3-6 of this Act, the tax is imposed at the rate of 1.25%.

13 With respect to gasohol, the tax imposed by this Act
14 applies to (i) 70% of the proceeds of sales made on or after
15 January 1, 1990, and before July 1, 2003, (ii) 80% of the
16 proceeds of sales made on or after July 1, 2003 and on or
17 before July 1, 2017, (iii) 100% of the proceeds of sales made
18 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
19 the proceeds of sales made on or after January 1, 2024 and on
20 or before December 31, 2028, and (v) 100% of the proceeds of
21 sales made after December 31, 2028. If, at any time, however,
22 the tax under this Act on sales of gasohol is imposed at the
23 rate of 1.25%, then the tax imposed by this Act applies to 100%
24 of the proceeds of sales of gasohol made during that time.

25 With respect to mid-range ethanol blends, the tax imposed
26 by this Act applies to (i) 80% of the proceeds of sales made on

1 or after January 1, 2024 and on or before December 31, 2028 and
2 (ii) 100% of the proceeds of sales made thereafter. If, at any
3 time, however, the tax under this Act on sales of mid-range
4 ethanol blends is imposed at the rate of 1.25%, then the tax
5 imposed by this Act applies to 100% of the proceeds of sales of
6 mid-range ethanol blends made during that time.

7 With respect to majority blended ethanol fuel, the tax
8 imposed by this Act does not apply to the proceeds of sales
9 made on or after July 1, 2003 and on or before December 31,
10 2028 but applies to 100% of the proceeds of sales made
11 thereafter.

12 With respect to biodiesel blends with no less than 1% and
13 no more than 10% biodiesel, the tax imposed by this Act applies
14 to (i) 80% of the proceeds of sales made on or after July 1,
15 2003 and on or before December 31, 2018 and (ii) 100% of the
16 proceeds of sales made after December 31, 2018 and before
17 January 1, 2024. On and after January 1, 2024 and on or before
18 December 31, 2030, the taxation of biodiesel, renewable
19 diesel, and biodiesel blends shall be as provided in Section
20 3-5.1. If, at any time, however, the tax under this Act on
21 sales of biodiesel blends with no less than 1% and no more than
22 10% biodiesel is imposed at the rate of 1.25%, then the tax
23 imposed by this Act applies to 100% of the proceeds of sales of
24 biodiesel blends with no less than 1% and no more than 10%
25 biodiesel made during that time.

26 With respect to biodiesel and biodiesel blends with more

1 than 10% but no more than 99% biodiesel, the tax imposed by
2 this Act does not apply to the proceeds of sales made on or
3 after July 1, 2003 and on or before December 31, 2023. On and
4 after January 1, 2024 and on or before December 31, 2030, the
5 taxation of biodiesel, renewable diesel, and biodiesel blends
6 shall be as provided in Section 3-5.1.

7 Until July 1, 2022 and from July 1, 2023 through December
8 31, 2025, with respect to food for human consumption that is to
9 be consumed off the premises where it is sold (other than
10 alcoholic beverages, food consisting of or infused with adult
11 use cannabis, soft drinks, and food that has been prepared for
12 immediate consumption), the tax is imposed at the rate of 1%.
13 Beginning on July 1, 2022 and until July 1, 2023, with respect
14 to food for human consumption that is to be consumed off the
15 premises where it is sold (other than alcoholic beverages,
16 food consisting of or infused with adult use cannabis, soft
17 drinks, and food that has been prepared for immediate
18 consumption), the tax is imposed at the rate of 0%. On and
19 after January 1, 2026, food for human consumption that is to be
20 consumed off the premises where it is sold (other than
21 alcoholic beverages, food consisting of or infused with adult
22 use cannabis, soft drinks, candy, and food that has been
23 prepared for immediate consumption) is exempt from the tax
24 imposed by this Act.

25 With respect to prescription and nonprescription
26 medicines, drugs, medical appliances, products classified as

1 Class III medical devices by the United States Food and Drug
2 Administration that are used for cancer treatment pursuant to
3 a prescription, as well as any accessories and components
4 related to those devices, modifications to a motor vehicle for
5 the purpose of rendering it usable by a person with a
6 disability, and insulin, blood sugar testing materials,
7 syringes, and needles used by human diabetics, the tax is
8 imposed at the rate of 1%. For the purposes of this Section,
9 until September 1, 2009: the term "soft drinks" means any
10 complete, finished, ready-to-use, non-alcoholic drink, whether
11 carbonated or not, including, but not limited to, soda water,
12 cola, fruit juice, vegetable juice, carbonated water, and all
13 other preparations commonly known as soft drinks of whatever
14 kind or description that are contained in any closed or sealed
15 bottle, can, carton, or container, regardless of size; but
16 "soft drinks" does not include coffee, tea, non-carbonated
17 water, infant formula, milk or milk products as defined in the
18 Grade A Pasteurized Milk and Milk Products Act, or drinks

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

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

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

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

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

- 8 (A) a "Drug Facts" panel; or
- 9 (B) a statement of the "active ingredient(s)" with a
10 list of those ingredients contained in the compound,
11 substance or preparation.

12 Beginning on January 1, 2014 (the effective date of Public
13 Act 98-122), "prescription and nonprescription medicines and
14 drugs" includes medical cannabis purchased from a registered
15 dispensing organization under the Compassionate Use of Medical
16 Cannabis Program Act.

17 As used in this Section, "adult use cannabis" means
18 cannabis subject to tax under the Cannabis Cultivation
19 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
20 and does not include cannabis subject to tax under the
21 Compassionate Use of Medical Cannabis Program Act.

22 If the property that is purchased at retail from a
23 retailer is acquired outside Illinois and used outside
24 Illinois before being brought to Illinois for use here and is
25 taxable under this Act, the "selling price" on which the tax is
26 computed shall be reduced by an amount that represents a

1 reasonable allowance for depreciation for the period of prior
2 out-of-state use. No depreciation is allowed in cases where
3 the tax under this Act is imposed on lease receipts.
4 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
5 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff.
6 8-15-25.)

7 (35 ILCS 105/9)

8 (Text of Section before amendment by P.A. 104-457)

9 Sec. 9. Except as to motor vehicles, watercraft, aircraft,

10 and trailers that are required to be registered with an agency
11 of this State, each retailer required or authorized to collect
12 the tax imposed by this Act shall pay to the Department the
13 amount of such tax (except as otherwise provided) at the time
14 when he is required to file his return for the period during
15 which such tax was collected, less a discount of 2.1% prior to
16 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
17 per calendar year, whichever is greater, which is allowed to
18 reimburse the retailer for expenses incurred in collecting the
19 tax, keeping records, preparing and filing returns, remitting
20 the tax and supplying data to the Department on request.
21 Beginning with returns due on or after January 1, 2025, the
22 discount allowed in this Section, the Retailers' Occupation
23 Tax Act, the Service Occupation Tax Act, and the Service Use
24 Tax Act, including any local tax administered by the
25 Department and reported on the same return, shall not exceed

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1 \$1,000 per month in the aggregate for returns other than
2 transaction returns filed during the month. When determining
3 the discount allowed under this Section, retailers shall
4 include the amount of tax that would have been due at the 6.25%
5 rate but for the 1.25% rate imposed on sales tax holiday items
6 under Public Act 102-700 and under this amendatory Act of the
7 104th General Assembly. The discount under this Section is not
8 allowed for the 1.25% portion of taxes paid on aviation fuel
9 that is subject to the revenue use requirements of 49 U.S.C.
10 47107(b) and 49 U.S.C. 47133. When determining the discount
11 allowed under this Section, retailers shall include the amount
12 of tax that would have been due at the 1% rate but for the 0%
13 rate imposed under Public Act 102-700. In the case of
14 retailers who report and pay the tax on a transaction by
15 transaction basis, as provided in this Section, such discount
16 shall be taken with each such tax remittance instead of when
17 such retailer files his periodic return, but, beginning with
18 returns due on or after January 1, 2025, the discount allowed
19 under this Section and the Retailers' Occupation Tax Act,
20 including any local tax administered by the Department and
21 reported on the same transaction return, shall not exceed
22 \$1,000 per month for all transaction returns filed during the

23 month. The discount allowed under this Section is allowed only
24 for returns that are filed in the manner required by this Act.
25 The Department may disallow the discount for retailers whose
26 certificate of registration is revoked at the time the return

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1 is filed, but only if the Department's decision to revoke the
2 certificate of registration has become final. A retailer need
3 not remit that part of any tax collected by him to the extent
4 that he is required to remit and does remit the tax imposed by
5 the Retailers' Occupation Tax Act, with respect to the sale of
6 the same property.

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

17 In the case of leases, except as otherwise provided in
18 this Act, the lessor, in collecting the tax, may collect for
19 each tax return period only the tax applicable to that part of
20 the selling price actually received during such tax return
21 period.

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

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1 require. The return shall include the gross receipts on food
2 for human consumption that is to be consumed off the premises

3 where it is sold (other than alcoholic beverages, food
4 consisting of or infused with adult use cannabis, soft drinks,
5 and food that has been prepared for immediate consumption)
6 which were received during the preceding calendar month,
7 quarter, or year, as appropriate, and upon which tax would
8 have been due but for the 0% rate imposed under Public Act
9 102-700. The return shall also include the amount of tax that
10 would have been due on food for human consumption that is to be
11 consumed off the premises where it is sold (other than
12 alcoholic beverages, food consisting of or infused with adult
13 use cannabis, soft drinks, and food that has been prepared for
14 immediate consumption) but for the 0% rate imposed under
15 Public Act 102-700.

16 On and after January 1, 2018, except for returns required
17 to be filed prior to January 1, 2023 for motor vehicles,
18 watercraft, aircraft, and trailers that are required to be
19 registered with an agency of this State, with respect to
20 retailers whose annual gross receipts average \$20,000 or more,
21 all returns required to be filed pursuant to this Act shall be
22 filed electronically. On and after January 1, 2023, with
23 respect to retailers whose annual gross receipts average
24 \$20,000 or more, all returns required to be filed pursuant to
25 this Act, including, but not limited to, returns for motor
26 vehicles, watercraft, aircraft, and trailers that are required

1 to be registered with an agency of this State, shall be filed
2 electronically. Retailers who demonstrate that they do not
3 have access to the Internet or demonstrate hardship in filing
4 electronically may petition the Department to waive the
5 electronic filing requirement.

6 The Department may require returns to be filed on a
7 quarterly basis. If so required, a return for each calendar
8 quarter shall be filed on or before the twentieth day of the
9 calendar month following the end of such calendar quarter. The
10 taxpayer shall also file a return with the Department for each
11 of the first 2 ~~two~~ months of each calendar quarter, on or
12 before the twentieth day of the following calendar month,
13 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
19 him during the preceding calendar month from sales of
20 tangible personal property by him during such preceding
21 calendar month, including receipts from charge and time
22 sales, but 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;
26 5-5. The signature of the taxpayer; and

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

3 Each retailer required or authorized to collect the tax
4 imposed by this Act on aviation fuel sold at retail in this
5 State during the preceding calendar month shall, instead of
6 reporting and paying tax on aviation fuel as otherwise
7 required by this Section, report and pay such tax on a separate
8 aviation fuel tax return. The requirements related to the
9 return shall be as otherwise provided in this Section.
10 Notwithstanding any other provisions of this Act to the
11 contrary, retailers collecting tax on aviation fuel shall file
12 all aviation fuel tax returns and shall make all aviation fuel
13 tax payments by electronic means in the manner and form
14 required by the Department. For purposes of this Section,
15 "aviation fuel" means jet fuel and aviation gasoline.

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

20 Notwithstanding any other provision of this Act to the
21 contrary, retailers subject to tax on cannabis shall file all
22 cannabis tax returns and shall make all cannabis tax payments
23 by electronic means in the manner and form required by the
24 Department.

25 Beginning October 1, 1993, a taxpayer who has an average
26 monthly tax liability of \$150,000 or more shall make all

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

24 Before August 1 of each year beginning in 1993, the
25 Department shall notify all taxpayers required to make
26 payments by electronic funds transfer. All taxpayers required

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

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

6 All taxpayers required to make payment by electronic funds

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

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

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

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

19 which such tax liability is incurred begins on or after
20 January 1, 1987, and prior to January 1, 1988, each payment
21 shall be in an amount equal to 22.5% of the taxpayer's actual
22 liability for the month or 26.25% of the taxpayer's liability
23 for the same calendar month of the preceding year. If the month
24 during which such tax liability is incurred begins on or after
25 January 1, 1988, and prior to January 1, 1989, or begins on or
26 after January 1, 1996, each payment shall be in an amount equal

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

1 and after October 1, 2000, once applicable, the requirement of
2 the making of quarter monthly payments to the Department shall
3 continue until such taxpayer's average monthly liability to
4 the Department during the preceding 4 complete calendar
5 quarters (excluding the month of highest liability and the
6 month of lowest liability) is less than \$19,000 or until such
7 taxpayer's average monthly liability to the Department as
8 computed for each calendar quarter of the 4 preceding complete
9 calendar quarter period is less than \$20,000. However, if a
10 taxpayer can show the Department that a substantial change in
11 the taxpayer's business has occurred which causes the taxpayer
12 to anticipate that his average monthly tax liability for the
13 reasonably foreseeable future will fall below the \$20,000
14 threshold stated above, then such taxpayer may petition the
15 Department for a change in such taxpayer's reporting status.
16 The Department shall change such taxpayer's reporting status
17 unless it finds that such change is seasonal in nature and not
18 likely to be long term. Quarter monthly payment status shall
19 be determined under this paragraph as if the rate reduction to
20 1.25% in Public Act 102-700 and in this amendatory Act of the
21 104th General Assembly on sales tax holiday items had not
22 occurred. For quarter monthly payments due on or after July 1,
23 2023 and through June 30, 2024, and on or after July 1, 2027
24 through June 30, 2028 "25% of the taxpayer's liability for the
25 same calendar month of the preceding year" shall be determined
26 as if the rate reduction to 1.25% in Public Act 102-700 and in

1 this amendatory Act of 104th General Assembly on sales tax
2 holiday items had not occurred. Quarter monthly payment status
3 shall be determined under this paragraph as if the rate
4 reduction to 0% in Public Act 102-700 on food for human
5 consumption that is to be consumed off the premises where it is
6 sold (other than alcoholic beverages, food consisting of or
7 infused with adult use cannabis, soft drinks, and food that
8 has been prepared for immediate consumption) had not occurred.
9 For quarter monthly payments due under this paragraph on or
10 after July 1, 2023 and through June 30, 2024, "25% of the

11 taxpayer's liability for the same calendar month of the
12 preceding year" shall be determined as if the rate reduction
13 to 0% in Public Act 102-700 had not occurred. If any such
14 quarter monthly payment is not paid at the time or in the
15 amount required by this Section, then the taxpayer shall be
16 liable for penalties and interest on the difference between
17 the minimum amount due and the amount of such quarter monthly
18 payment actually and timely paid, except insofar as the
19 taxpayer has previously made payments for that month to the
20 Department in excess of the minimum payments previously due as
21 provided in this Section. The Department shall make reasonable
22 rules and regulations to govern the quarter monthly payment
23 amount and quarter monthly payment dates for taxpayers who
24 file on other than a calendar monthly basis.

25 If any such payment provided for in this Section exceeds
26 the taxpayer's liabilities under this Act, the Retailers'

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

23 if necessary, to reflect the difference between the credit
24 taken and that actually due, and the taxpayer shall be liable
25 for penalties and interest on such difference.
26 If the retailer is otherwise required to file a monthly

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

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

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

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

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1 In addition, with respect to motor vehicles, watercraft,
2 aircraft, and trailers that are required to be registered with

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

24 In addition, with respect to motor vehicles, watercraft,
25 aircraft, and trailers that are required to be registered with
26 an agency of this State, every person who is engaged in the

1 business of leasing or renting such items and who, in
2 connection with such business, sells any such item to a
3 retailer for the purpose of resale is, notwithstanding any
4 other provision of this Section to the contrary, authorized to
5 meet the return-filing requirement of this Act by reporting
6 the transfer of all the aircraft, watercraft, motor vehicles,
7 or trailers transferred for resale during a month to the
8 Department on the same uniform invoice-transaction reporting
9 return form on or before the 20th of the month following the
10 month in which the transfer takes place. Notwithstanding any
11 other provision of this Act to the contrary, all returns filed
12 under this paragraph must be filed by electronic means in the
13 manner and form as required by the Department.

14 The transaction reporting return in the case of motor

15 vehicles or trailers that are required to be registered with
16 an agency of this State, shall be the same document as the
17 Uniform Invoice referred to in Section 5-402 of the Illinois
18 Vehicle Code and must show the name and address of the seller;
19 the name and address of the purchaser; the amount of the
20 selling price including the amount allowed by the retailer for
21 traded-in property, if any; the amount allowed by the retailer
22 for the traded-in tangible personal property, if any, to the
23 extent to which Section 2 of this Act allows an exemption for
24 the value of traded-in property; the balance payable after
25 deducting such trade-in allowance from the total selling
26 price; the amount of tax due from the retailer with respect to

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1 such transaction; the amount of tax collected from the
2 purchaser by the retailer on such transaction (or satisfactory
3 evidence that such tax is not due in that particular instance,
4 if that is claimed to be the fact); the place and date of the
5 sale; a sufficient identification of the property sold; such
6 other information as is required in Section 5-402 of the
7 Illinois Vehicle Code, and such other information as the
8 Department may reasonably require.

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

26 Such transaction reporting return shall be filed not later

1 than 20 days after the date of delivery of the item that is
2 being sold, but may be filed by the retailer at any time sooner
3 than that if he chooses to do so. The transaction reporting
4 return and tax remittance or proof of exemption from the tax
5 that is imposed by this Act may be transmitted to the
6 Department by way of the State agency with which, or State
7 officer with whom, the tangible personal property must be
8 titled or registered (if titling or registration is required)
9 if the Department and such agency or State officer determine
10 that this procedure will expedite the processing of
11 applications for title or registration.

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

25 No retailer's failure or refusal to remit tax under this
26 Act precludes a user, who has paid the proper tax to the

1 retailer, from obtaining his certificate of title or other
2 evidence of title or registration (if titling or registration
3 is required) upon satisfying the Department that such user has
4 paid the proper tax (if tax is due) to the retailer. The
5 Department shall adopt appropriate rules to carry out the
6 mandate of this paragraph.

7 If the user who would otherwise pay tax to the retailer
8 wants the transaction reporting return filed and the payment
9 of tax or proof of exemption made to the Department before the
10 retailer is willing to take these actions and such user has not
11 paid the tax to the retailer, such user may certify to the fact
12 of such delay by the retailer, and may (upon the Department
13 being satisfied of the truth of such certification) transmit
14 the information required by the transaction reporting return
15 and the remittance for tax or proof of exemption directly to
16 the Department and obtain his tax receipt or exemption
17 determination, in which event the transaction reporting return
18 and tax remittance (if a tax payment was required) shall be
19 credited by the Department to the proper retailer's account
20 with the Department, but without the vendor's discount
21 provided for in this Section being allowed. When the user pays
22 the tax directly to the Department, he shall pay the tax in the
23 same amount and in the same form in which it would be remitted
24 if the tax had been remitted to the Department by the retailer.
25 On and after January 1, 2025, with respect to the lease of
26 trailers, other than semitrailers as defined in Section 1-187

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1 of the Illinois Vehicle Code, that are required to be
2 registered with an agency of this State and that are subject to
3 the tax on lease receipts under this Act, notwithstanding any
4 other provision of this Act to the contrary, for the purpose of
5 reporting and paying tax under this Act on those lease
6 receipts, lessors shall file returns in addition to and
7 separate from the transaction reporting return. Lessors shall
8 file those lease returns and make payment to the Department by
9 electronic means on or before the 20th day of each month
10 following the month, quarter, or year, as applicable, in which
11 lease receipts were received. All lease receipts received by
12 the lessor from the lease of those trailers during the same
13 reporting period shall be reported and tax shall be paid on a
14 single return form to be prescribed by the Department.

15 Where a retailer collects the tax with respect to the
16 selling price of tangible personal property which he sells and
17 the purchaser thereafter returns such tangible personal
18 property and the retailer refunds the selling price thereof to

19 the purchaser, such retailer shall also refund, to the
20 purchaser, the tax so collected from the purchaser. When
21 filing his return for the period in which he refunds such tax
22 to the purchaser, the retailer may deduct the amount of the tax
23 so refunded by him to the purchaser from any other use tax
24 which such retailer may be required to pay or remit to the
25 Department, as shown by such return, if the amount of the tax
26 to be deducted was previously remitted to the Department by

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1 such retailer. If the retailer has not previously remitted the
2 amount of such tax to the Department, he is entitled to no
3 deduction under this Act upon refunding such tax to the
4 purchaser.

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

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

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

24 Beginning January 1, 1990, each month the Department shall
25 pay into the State and Local Sales Tax Reform Fund, a special
26 fund in the State treasury which is hereby created, the net

1 revenue realized for the preceding month from the 1% tax
2 imposed under this Act.

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

10 Beginning January 1, 1990, each month the Department shall
11 pay into the State and Local Sales Tax Reform Fund, a special
12 fund in the State treasury, 20% of the net revenue realized for
13 the preceding month from the 6.25% general rate on the selling
14 price of tangible personal property, other than (i) tangible
15 personal property which is purchased outside Illinois at
16 retail from a retailer and which is titled or registered by an
17 agency of this State's government and (ii) aviation fuel sold
18 on or after December 1, 2019. This exception for aviation fuel
19 only applies for so long as the revenue use requirements of 49
20 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

21 For aviation fuel sold on or after December 1, 2019, each
22 month the Department shall pay into the State Aviation Program
23 Fund 20% of the net revenue realized for the preceding month
24 from the 6.25% general rate on the selling price of aviation
25 fuel, less an amount estimated by the Department to be
26 required for refunds of the 20% portion of the tax on aviation

1 fuel under this Act, which amount shall be deposited into the
2 Aviation Fuel Sales Tax Refund Fund. The Department shall only
3 pay moneys into the State Aviation Program Fund and the
4 Aviation Fuels Sales Tax Refund Fund under this Act for so long
5 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
6 U.S.C. 47133 are binding on the State.

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

11 month, the tax on sales tax holiday items, as defined in
12 Section 3-6, is imposed at the rate of 1.25%, then the
13 Department shall pay 100% of the net revenue realized for that
14 month from the 1.25% rate on the selling price of sales tax
15 holiday items into the State and Local Sales Tax Reform Fund.

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

23 Beginning October 1, 2009, each month the Department shall
24 pay into the Capital Projects Fund an amount that is equal to
25 an amount estimated by the Department to represent 80% of the
26 net revenue realized for the preceding month from the sale of

1 candy, grooming and hygiene products, and soft drinks that had
2 been taxed at a rate of 1% prior to September 1, 2009 but that
3 are now taxed at 6.25%.

4 Beginning July 1, 2011, each month the Department shall
5 pay into the Clean Air Act Permit Fund 80% of the net revenue
6 realized for the preceding month from the 6.25% general rate
7 on the selling price of sorbents used in Illinois in the
8 process of sorbent injection as used to comply with the
9 Environmental Protection Act or the federal Clean Air Act, but
10 the total payment into the Clean Air Act Permit Fund under this
11 Act and the Retailers' Occupation Tax Act shall not exceed
12 \$2,000,000 in any fiscal year.

13 Beginning July 1, 2013, each month the Department shall
14 pay 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,

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1 excluding payments made pursuant to this paragraph.

2 Beginning July 1, 2015, of the remainder of the moneys
3 received by the Department under this Act, the Service Use Tax
4 Act, the Service Occupation Tax Act, and the Retailers'
5 Occupation Tax Act, each month the Department shall deposit
6 \$500,000 into the State Crime Laboratory Fund.

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

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1 business day of any month the sum of (1) the Tax Act Amount
2 required to be deposited into the Build Illinois Bond Account

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

1 the last business day of any month in which Bonds are
2 outstanding pursuant to the Build Illinois Bond Act, the
3 aggregate of the moneys deposited into ~~in~~ the Build Illinois
4 Bond Account in the Build Illinois Fund in such month shall be
5 less than the amount required to be transferred in such month
6 from the Build Illinois Bond Account to the Build Illinois
7 Bond Retirement and Interest Fund pursuant to Section 13 of
8 the Build Illinois Bond Act, an amount equal to such
9 deficiency shall be immediately paid from other moneys
10 received by the Department pursuant to the Tax Acts to the
11 Build Illinois Fund; provided, however, that any amounts paid
12 to the Build Illinois Fund in any fiscal year pursuant to this
13 sentence shall be deemed to constitute payments pursuant to
14 clause (b) of the preceding sentence and shall reduce the

15 amount otherwise payable for such fiscal year pursuant to
16 clause (b) of the preceding sentence. The moneys received by
17 the Department pursuant to this Act and required to be
18 deposited into the Build Illinois Fund are subject to the
19 pledge, claim and charge set forth in Section 12 of the Build
20 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

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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.

7	Fiscal Year	Total 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
26	2011	146,000,000

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1	2012	153,000,000
2	2013	161,000,000
3	2014	170,000,000
4	2015	179,000,000
5	2016	189,000,000
6	2017	199,000,000
7	2018	210,000,000
8	2019	221,000,000
9	2020	233,000,000
10	2021	300,000,000
11	2022	300,000,000
12	2023	300,000,000
13	2024	300,000,000
14	2025	300,000,000
15	2026	300,000,000
16	2027	375,000,000
17	2028	375,000,000
18	2029	375,000,000
19	2030	375,000,000
20	2031	375,000,000
21	2032	375,000,000
22	2033	375,000,000
23	2034	375,000,000
24	2035	375,000,000
25	2036	450,000,000
26	and	

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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
20 Deposit", has been deposited.

21 Subject to payment of amounts into the Capital Projects
22 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
23 and the McCormick Place Expansion Project Fund pursuant to the
24 preceding paragraphs or in any amendments thereto hereafter
25 enacted, for aviation fuel sold on or after December 1, 2019,
26 the Department shall each month deposit into the Aviation Fuel

1 Sales Tax Refund Fund an amount estimated by the Department to
2 be required for refunds of the 80% portion of the tax on
3 aviation fuel under this Act. The Department shall only
4 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
5 under this paragraph for so long as the revenue use
6 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
7 binding on the State.

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

11 enacted, beginning July 1, 1993 and ending on September 30,
12 2013, the Department shall each month pay into the Illinois
13 Tax Increment Fund 0.27% of 80% of the net revenue realized for
14 the preceding month from the 6.25% general rate on the selling
15 price of tangible personal property.

16 Subject to payment of amounts into the Build Illinois
17 Fund, the McCormick Place Expansion Project Fund, the Illinois
18 Tax Increment Fund, and the Energy Infrastructure Fund
19 pursuant to the preceding paragraphs or in any amendments to
20 this Section hereafter enacted, beginning on the first day of
21 the first calendar month to occur on or after August 26, 2014
22 (the effective date of Public Act 98-1098), 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

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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
5 by the Audit Bureau of the Department under the Use Tax Act,
6 the 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 Subject to payments of amounts into the Build Illinois
10 Fund, the McCormick Place Expansion Project Fund, the Illinois
11 Tax Increment Fund, and the Tax Compliance and Administration
12 Fund as provided in this Section, beginning on July 1, 2018 the
13 Department shall pay each month into the Downstate Public
14 Transportation Fund the moneys required to be so paid under
15 Section 2-3 of the Downstate Public Transportation Act.

16 Subject to successful execution and delivery of a
17 public-private agreement between the public agency and private
18 entity and completion of the civic build, beginning on July 1,
19 2023, of the remainder of the moneys received by the
20 Department under the Use Tax Act, the Service Use Tax Act, the
21 Service Occupation Tax Act, and this Act, the Department shall
22 deposit the following specified deposits in the aggregate from

23 collections under the Use Tax Act, the Service Use Tax Act, the
24 Service Occupation Tax Act, and the Retailers' Occupation Tax
25 Act, as required under Section 8.25g of the State Finance Act
26 for distribution consistent with the Public-Private

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1 Partnership for Civic and Transit Infrastructure Project Act.
2 The moneys received by the Department pursuant to this Act and
3 required to be deposited into the Civic and Transit
4 Infrastructure Fund are subject to the pledge, claim, and
5 charge set forth in Section 25-55 of the Public-Private
6 Partnership for Civic and Transit Infrastructure Project Act.
7 As used in this paragraph, "civic build", "private entity",
8 "public-private agreement", and "public agency" have the
9 meanings provided in Section 25-10 of the Public-Private
10 Partnership for Civic and Transit Infrastructure Project Act.

11	Fiscal Year.....	Total Deposit
12	2024.....	\$200,000,000
13	2025.....	\$206,000,000
14	2026.....	\$212,200,000
15	2027.....	\$218,500,000
16	2028.....	\$225,100,000
17	2029.....	\$288,700,000
18	2030.....	\$298,900,000
19	2031.....	\$309,300,000
20	2032.....	\$320,100,000
21	2033.....	\$331,200,000
22	2034.....	\$341,200,000
23	2035.....	\$351,400,000
24	2036.....	\$361,900,000
25	2037.....	\$372,800,000
26	2038.....	\$384,000,000

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1	2039.....	\$395,500,000
2	2040.....	\$407,400,000

3 2041.....\$419,600,000
4 2042.....\$432,200,000
5 2043.....\$445,100,000

6 Beginning July 1, 2021 and until July 1, 2022, subject to
7 the payment of amounts into the State and Local Sales Tax
8 Reform Fund, the Build Illinois Fund, the McCormick Place
9 Expansion Project Fund, the Illinois Tax Increment Fund, and
10 the Tax Compliance and Administration Fund as provided in this
11 Section, the Department shall pay each month into the Road
12 Fund the amount estimated to represent 16% of the net revenue
13 realized from the taxes imposed on motor fuel and gasohol.
14 Beginning July 1, 2022 and until July 1, 2023, subject to the
15 payment of amounts into the State and Local Sales Tax Reform
16 Fund, the Build Illinois Fund, the McCormick Place Expansion
17 Project Fund, the Illinois Tax Increment Fund, and the Tax
18 Compliance and Administration Fund as provided in this
19 Section, the Department shall pay each month into the Road
20 Fund the amount estimated to represent 32% of the net revenue
21 realized from the taxes imposed on motor fuel and gasohol.
22 Beginning July 1, 2023 and until July 1, 2024, subject to the
23 payment of amounts into the State and Local Sales Tax Reform
24 Fund, the Build Illinois Fund, the McCormick Place Expansion
25 Project Fund, the Illinois Tax Increment Fund, and the Tax
26 Compliance and Administration Fund as provided in this

1 Section, the Department shall pay each month into the Road
2 Fund the amount estimated to represent 48% of the net revenue
3 realized from the taxes imposed on motor fuel and gasohol.
4 Beginning July 1, 2024 and until July 1, 2026, subject to the
5 payment of amounts into the State and Local Sales Tax Reform
6 Fund, the Build Illinois Fund, the McCormick Place Expansion
7 Project Fund, the Illinois Tax Increment Fund, and the Tax
8 Compliance and Administration Fund as provided in this
9 Section, the Department shall pay each month into the Road
10 Fund the amount estimated to represent 64% of the net revenue
11 realized from the taxes imposed on motor fuel and gasohol.
12 Beginning on July 1, 2026, subject to the payment of amounts
13 into the State and Local Sales Tax Reform Fund, the Build
14 Illinois Fund, the McCormick Place Expansion Project Fund, the

15 Illinois Tax Increment Fund, and the Tax Compliance and
16 Administration Fund as provided in this Section, the
17 Department shall pay each month into the Road Fund the amount
18 estimated to represent 80% of the net revenue realized from
19 the taxes imposed on motor fuel and gasohol. As used in this
20 paragraph, "motor fuel" has the meaning given to that term in
21 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the
22 meaning given to that term in Section 3-40 of this Act.
23 Until July 1, 2025, of the remainder of the moneys
24 received by the Department pursuant to this Act, 75% thereof
25 shall be paid into the State treasury and 25% shall be reserved
26 in a special account and used only for the transfer to the

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1 Common School Fund as part of the monthly transfer from the
2 General Revenue Fund in accordance with Section 8a of the
3 State Finance Act. Beginning July 1, 2025, of the remainder of
4 the moneys received by the Department pursuant to this Act,
5 75% shall be deposited into the General Revenue Fund and 25%
6 shall be deposited into the Common School Fund.

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

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

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

25 (Source: P.A. 103-154, eff. 6-30-23; 103-363, eff. 7-28-23;
26 103-592, Article 75, Section 75-5, eff. 1-1-25; 103-592,

1 Article 110, Section 110-5, eff. 6-7-24; 103-1055, eff.
2 12-20-24; 104-6, Article 5, Section 5-10, eff. 6-16-25; 104-6,
3 Article 35, Section 35-20, eff. 6-16-25; revised 1-12-26.)

4 (Text of Section after amendment by P.A. 104-457)

5 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
6 and trailers that are required to be registered with an agency
7 of this State, each retailer required or authorized to collect
8 the tax imposed by this Act shall pay to the Department the
9 amount of such tax (except as otherwise provided) at the time
10 when he is required to file his return for the period during
11 which such tax was collected, less a discount of 2.1% prior to
12 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
13 per calendar year, whichever is greater, which is allowed to
14 reimburse the retailer for expenses incurred in collecting the
15 tax, keeping records, preparing and filing returns, remitting
16 the tax and supplying data to the Department on request.
17 Beginning with returns due on or after January 1, 2025, the
18 discount allowed in this Section, the Retailers' Occupation
19 Tax Act, the Service Occupation Tax Act, and the Service Use
20 Tax Act, including any local tax administered by the
21 Department and reported on the same return, shall not exceed
22 \$1,000 per month in the aggregate for returns other than
23 transaction returns filed during the month. When determining
24 the discount allowed under this Section, retailers shall
25 include the amount of tax that would have been due at the 6.25%

1 rate but for the 1.25% rate imposed on sales tax holiday items
2 under Public Act 102-700 and under this amendatory Act of the
3 104th General Assembly. The discount under this Section is not
4 allowed for the 1.25% portion of taxes paid on aviation fuel
5 that is subject to the revenue use requirements of 49 U.S.C.
6 47107(b) and 49 U.S.C. 47133. When determining the discount

7 allowed under this Section, retailers shall include the amount
8 of tax that would have been due at the 1% rate but for the 0%
9 rate imposed under Public Act 102-700. In the case of
10 retailers who report and pay the tax on a transaction by
11 transaction basis, as provided in this Section, such discount
12 shall be taken with each such tax remittance instead of when
13 such retailer files his periodic return, but, beginning with
14 returns due on or after January 1, 2025, the discount allowed
15 under this Section and the Retailers' Occupation Tax Act,
16 including any local tax administered by the Department and
17 reported on the same transaction return, shall not exceed
18 \$1,000 per month for all transaction returns filed during the
19 month. The discount allowed under this Section is allowed only
20 for returns that are filed in the manner required by this Act.
21 The Department may disallow the discount for retailers whose
22 certificate of registration is revoked at the time the return
23 is filed, but only if the Department's decision to revoke the
24 certificate of registration has become final. A retailer need
25 not remit that part of any tax collected by him to the extent
26 that he is required to remit and does remit the tax imposed by

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1 the Retailers' Occupation Tax Act, with respect to the sale of
2 the same property.

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

13 In the case of leases, except as otherwise provided in
14 this Act, the lessor, in collecting the tax, may collect for
15 each tax return period only the tax applicable to that part of
16 the selling price actually received during such tax return
17 period.

18 Except as provided in this Section, on or before the

19 twentieth day of each calendar month, such retailer shall file
20 a return for the preceding calendar month. Such return shall
21 be filed on forms prescribed by the Department and shall
22 furnish such information as the Department may reasonably
23 require. The return shall include the gross receipts on food
24 for human consumption that is to be consumed off the premises
25 where it is sold (other than alcoholic beverages, food
26 consisting of or infused with adult use cannabis, soft drinks,

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1 and food that has been prepared for immediate consumption)
2 which were received during the preceding calendar month,
3 quarter, or year, as appropriate, and upon which tax would
4 have been due but for the 0% rate imposed under Public Act
5 102-700. The return shall also include the amount of tax that
6 would have been due on food for human consumption that is to be
7 consumed off the premises where it is sold (other than
8 alcoholic beverages, food consisting of or infused with adult
9 use cannabis, soft drinks, and food that has been prepared for
10 immediate consumption) but for the 0% rate imposed under
11 Public Act 102-700.

12 On and after January 1, 2018, except for returns required
13 to be filed prior to January 1, 2023 for motor vehicles,
14 watercraft, aircraft, and trailers that are required to be
15 registered with an agency of this State, with respect to
16 retailers whose annual gross receipts average \$20,000 or more,
17 all returns required to be filed pursuant to this Act shall be
18 filed electronically. On and after January 1, 2023, with
19 respect to retailers whose annual gross receipts average
20 \$20,000 or more, all returns required to be filed pursuant to
21 this Act, including, but not limited to, returns for motor
22 vehicles, watercraft, aircraft, and trailers that are required
23 to be registered with an agency of this State, shall be filed
24 electronically. Retailers who demonstrate that they do not
25 have access to the Internet or demonstrate hardship in filing
26 electronically may petition the Department to waive the

1 electronic filing requirement.

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

- 9 1. The name of the seller;
- 10 2. The address of the principal place of business from
11 which he engages in the business of selling tangible
12 personal property at retail in this State;
- 13 3. The total amount of taxable receipts received by
14 him during the preceding calendar month from sales of
15 tangible personal property by him during such preceding
16 calendar month, including receipts from charge and time
17 sales, but less all deductions allowed by law;
- 18 4. The amount of credit provided in Section 2d of this
19 Act;
- 20 5. The amount of tax due;
- 21 5-5. The signature of the taxpayer; and
- 22 6. Such other reasonable information as the Department
23 may require.

24 Each retailer required or authorized to collect the tax
25 imposed by this Act on aviation fuel sold at retail in this
26 State during the preceding calendar month shall, instead of

1 reporting and paying tax on aviation fuel as otherwise
2 required by this Section, report and pay such tax on a separate
3 aviation fuel tax return. The requirements related to the
4 return shall be as otherwise provided in this Section.
5 Notwithstanding any other provisions of this Act to the
6 contrary, retailers collecting tax on aviation fuel shall file
7 all aviation fuel tax returns and shall make all aviation fuel
8 tax payments by electronic means in the manner and form
9 required by the Department. For purposes of this Section,
10 "aviation fuel" means jet fuel and aviation gasoline.

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

15 Notwithstanding any other provision of this Act to the
16 contrary, retailers subject to tax on cannabis shall file all
17 cannabis tax returns and shall make all cannabis tax payments
18 by electronic means in the manner and form required by the
19 Department.

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

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

19 Before August 1 of each year beginning in 1993, the
20 Department shall notify all taxpayers required to make
21 payments by electronic funds transfer. All taxpayers required
22 to make payments by electronic funds transfer shall make those

23 payments for a minimum of one year beginning on October 1.
24 Any taxpayer not required to make payments by electronic
25 funds transfer may make payments by electronic funds transfer
26 with the permission of the Department.

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

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

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

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1 If the month during which such tax liability is incurred began
2 prior to January 1, 1985, each payment shall be in an amount

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

1 equal to 22.5% of the taxpayer's actual liability for the
2 month or 25% of the taxpayer's liability for the same calendar
3 month of the preceding year or 100% of the taxpayer's actual
4 liability for the quarter monthly reporting period. The amount
5 of such quarter monthly payments shall be credited against the
6 final tax liability of the taxpayer's return for that month.
7 Before October 1, 2000, once applicable, the requirement of
8 the making of quarter monthly payments to the Department shall
9 continue until such taxpayer's average monthly liability to
10 the Department during the preceding 4 complete calendar
11 quarters (excluding the month of highest liability and the
12 month of lowest liability) is less than \$9,000, or until such
13 taxpayer's average monthly liability to the Department as
14 computed for each calendar quarter of the 4 preceding complete

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

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1 month of lowest liability) is less than \$19,000 or until such
2 taxpayer's average monthly liability to the Department as
3 computed for each calendar quarter of the 4 preceding complete
4 calendar quarter period is less than \$20,000. However, if a
5 taxpayer can show the Department that a substantial change in
6 the taxpayer's business has occurred which causes the taxpayer
7 to anticipate that his average monthly tax liability for the
8 reasonably foreseeable future will fall below the \$20,000
9 threshold stated above, then such taxpayer may petition the
10 Department for a change in such taxpayer's reporting status.
11 The Department shall change such taxpayer's reporting status
12 unless it finds that such change is seasonal in nature and not
13 likely to be long term. Quarter monthly payment status shall
14 be determined under this paragraph as if the rate reduction to
15 1.25% in Public Act 102-700 and in this amendatory Act of the
16 104th General Assembly on sales tax holiday items had not
17 occurred. For quarter monthly payments due on or after July 1,
18 2023 and through June 30, 2024, and on or after July 1, 2027
19 through June 30, 2028, "25% of the taxpayer's liability for
20 the same calendar month of the preceding year" shall be
21 determined as if the rate reduction to 1.25% in Public Act
22 102-700 and in this amendatory Act of 104th General Assembly
23 on sales tax holiday items had not occurred. Quarter monthly
24 payment status shall be determined under this paragraph as if
25 the rate reduction to 0% in Public Act 102-700 on food for
26 human consumption that is to be consumed off the premises

1 where it is sold (other than alcoholic beverages, food
2 consisting of or infused with adult use cannabis, soft drinks,
3 and food that has been prepared for immediate consumption) had
4 not occurred. For quarter monthly payments due under this
5 paragraph on or after July 1, 2023 and through June 30, 2024,
6 "25% of the taxpayer's liability for the same calendar month
7 of the preceding year" shall be determined as if the rate
8 reduction to 0% in Public Act 102-700 had not occurred. If any
9 such quarter monthly payment is not paid at the time or in the
10 amount required by this Section, then the taxpayer shall be
11 liable for penalties and interest on the difference between
12 the minimum amount due and the amount of such quarter monthly
13 payment actually and timely paid, except insofar as the
14 taxpayer has previously made payments for that month to the
15 Department in excess of the minimum payments previously due as
16 provided in this Section. The Department shall make reasonable
17 rules and regulations to govern the quarter monthly payment
18 amount and quarter monthly payment dates for taxpayers who
19 file on other than a calendar monthly basis.

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

1 in payment of tax liability subsequently to be remitted by the
2 taxpayer to the Department or be assigned by the taxpayer to a
3 similar taxpayer under this Act, the Retailers' Occupation Tax
4 Act, the Service Occupation Tax Act or the Service Use Tax Act,
5 in accordance with reasonable rules and regulations to be
6 prescribed by the Department, except that if such excess

7 payment is shown on an original monthly return and is made
8 after December 31, 1986, no credit memorandum shall be issued,
9 unless requested by the taxpayer. If no such request is made,
10 the taxpayer may credit such excess payment against tax
11 liability subsequently to be remitted by the taxpayer to the
12 Department under this Act, the Retailers' Occupation Tax Act,
13 the Service Occupation Tax Act or the Service Use Tax Act, in
14 accordance with reasonable rules and regulations prescribed by
15 the Department. If the Department subsequently determines that
16 all or any part of the credit taken was not actually due to the
17 taxpayer, the taxpayer's vendor's discount shall be reduced,
18 if necessary, to reflect the difference between the credit
19 taken and that actually due, and the taxpayer shall be liable
20 for penalties and interest on such difference.

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

1 April, May and June of a given year being due by July 20 of
2 such year; with the return for July, August and September of a
3 given year being due by October 20 of such year, and with the
4 return for October, November and December of a given year
5 being due by January 20 of the following year.

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

12 Such quarter annual and annual returns, as to form and
13 substance, shall be subject to the same requirements as
14 monthly returns.

15 Notwithstanding any other provision in this Act concerning
16 the time within which a retailer may file his return, in the
17 case of any retailer who ceases to engage in a kind of business
18 which makes him responsible for filing returns under this Act,

19 such retailer shall file a final return under this Act with the
20 Department not more than one month after discontinuing such
21 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, except as otherwise provided in this
25 Section, every retailer selling this kind of tangible personal
26 property shall file, with the Department, upon a form to be

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1 prescribed and supplied by the Department, a separate return
2 for each such item of tangible personal property which the
3 retailer sells, except that if, in the same transaction, (i) a
4 retailer of aircraft, watercraft, motor vehicles or trailers
5 transfers more than one aircraft, watercraft, motor vehicle or
6 trailer to another aircraft, watercraft, motor vehicle or
7 trailer retailer for the purpose of resale or (ii) a retailer
8 of aircraft, watercraft, motor vehicles, or trailers transfers
9 more than one aircraft, watercraft, motor vehicle, or trailer
10 to a purchaser for use as a qualifying rolling stock as
11 provided in Section 3-55 of this Act, then that seller may
12 report the transfer of all the aircraft, watercraft, motor
13 vehicles or trailers involved in that transaction to the
14 Department on the same uniform invoice-transaction reporting
15 return form. For purposes of this Section, "watercraft" means
16 a Class 2, Class 3, or Class 4 watercraft as defined in Section
17 3-2 of the Boat Registration and Safety Act, a personal
18 watercraft, or any boat equipped with an inboard motor.

19 In addition, with respect to motor vehicles, watercraft,
20 aircraft, and trailers that are required to be registered with
21 an agency of this State, every person who is engaged in the
22 business of leasing or renting such items and who, in
23 connection with such business, sells any such item to a
24 retailer for the purpose of resale is, notwithstanding any
25 other provision of this Section to the contrary, authorized to
26 meet the return-filing requirement of this Act by reporting

1 the transfer of all the aircraft, watercraft, motor vehicles,
2 or trailers transferred for resale during a month to the
3 Department on the same uniform invoice-transaction reporting
4 return form on or before the 20th of the month following the
5 month in which the transfer takes place. Notwithstanding any
6 other provision of this Act to the contrary, all returns filed
7 under this paragraph must be filed by electronic means in the
8 manner and form as required by the Department.

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

1 other information as is required in Section 5-402 of the
2 Illinois Vehicle Code, and such other information as the
3 Department may reasonably require.

4 The transaction reporting return in the case of watercraft
5 and aircraft must show the name and address of the seller; the
6 name and address of the purchaser; the amount of the selling
7 price including the amount allowed by the retailer for
8 traded-in property, if any; the amount allowed by the retailer
9 for the traded-in tangible personal property, if any, to the
10 extent to which Section 2 of this Act allows an exemption for

11 the value of traded-in property; the balance payable after
12 deducting such trade-in allowance from the total selling
13 price; the amount of tax due from the retailer with respect to
14 such transaction; the amount of tax collected from the
15 purchaser by the retailer on such transaction (or satisfactory
16 evidence that such tax is not due in that particular instance,
17 if that is claimed to be the fact); the place and date of the
18 sale, a sufficient identification of the property sold, and
19 such other information as the Department may reasonably
20 require.

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

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

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

20 No retailer's failure or refusal to remit tax under this
21 Act precludes a user, who has paid the proper tax to the
22 retailer, from obtaining his certificate of title or other

23 evidence of title or registration (if titling or registration
24 is required) upon satisfying the Department that such user has
25 paid the proper tax (if tax is due) to the retailer. The
26 Department shall adopt appropriate rules to carry out the

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1 mandate of this paragraph.

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

20 On and after January 1, 2025, with respect to the lease of
21 trailers, other than semitrailers as defined in Section 1-187
22 of the Illinois Vehicle Code, that are required to be
23 registered with an agency of this State and that are subject to
24 the tax on lease receipts under this Act, notwithstanding any
25 other provision of this Act to the contrary, for the purpose of
26 reporting and paying tax under this Act on those lease

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1 receipts, lessors shall file returns in addition to and
2 separate from the transaction reporting return. Lessors shall

3 file those lease returns and make payment to the Department by
4 electronic means on or before the 20th day of each month
5 following the month, quarter, or year, as applicable, in which
6 lease receipts were received. All lease receipts received by
7 the lessor from the lease of those trailers during the same
8 reporting period shall be reported and tax shall be paid on a
9 single return form to be prescribed by the Department.

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

26 Any retailer filing a return under this Section shall also

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

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 retailers, who are required to file
11 returns hereunder and also under the Retailers' Occupation Tax
12 Act, to furnish all the return information required by both
13 Acts on the one form.

14 Where the retailer has more than one business registered

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

19 Beginning January 1, 1990, each month the Department shall
20 pay into the State and Local Sales Tax Reform Fund, a special
21 fund in the State treasury which is hereby created, the net
22 revenue realized for the preceding month from the 1% tax
23 imposed under this Act.

24 Beginning January 1, 1990, each month the Department shall
25 pay into the County and Mass Transit District Fund 4% of the
26 net revenue realized for the preceding month from the 6.25%

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1 general rate on the selling price of tangible personal
2 property which is purchased outside Illinois at retail from a
3 retailer and which is titled or registered by an agency of this
4 State's government.

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, 20% of the net revenue realized for
8 the preceding month from the 6.25% general rate on the selling
9 price of tangible personal property, other than (i) tangible
10 personal property which is purchased outside Illinois at
11 retail from a retailer and which is titled or registered by an
12 agency of this State's government and (ii) aviation fuel sold
13 on or after December 1, 2019. This exception for aviation fuel
14 only applies for so long as the revenue use requirements of 49
15 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

16 For aviation fuel sold on or after December 1, 2019, each
17 month the Department shall pay into the State Aviation Program
18 Fund 20% of the net revenue realized for the preceding month
19 from the 6.25% general rate on the selling price of aviation
20 fuel, less an amount estimated by the Department to be
21 required for refunds of the 20% portion of the tax on aviation
22 fuel under this Act, which amount shall be deposited into the
23 Aviation Fuel Sales Tax Refund Fund. The Department shall only
24 pay moneys into the State Aviation Program Fund and the
25 Aviation Fuels Sales Tax Refund Fund under this Act for so long
26 as the revenue use requirements of 49 U.S.C. 47107(b) and 49

1 U.S.C. 47133 are binding on the State.

2 Beginning August 1, 2000, each month the Department shall
3 pay into the State and Local Sales Tax Reform Fund 100% of the
4 net revenue realized for the preceding month from the 1.25%
5 rate on the selling price of motor fuel and gasohol. If, in any
6 month, the tax on sales tax holiday items, as defined in
7 Section 3-6, is imposed at the rate of 1.25%, then the
8 Department shall pay 100% of the net revenue realized for that
9 month from the 1.25% rate on the selling price of sales tax
10 holiday items into the State and Local Sales Tax Reform Fund.

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

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

25 Beginning July 1, 2011, each month the Department shall
26 pay into the Clean Air Act Permit Fund 80% of the net revenue

1 realized for the preceding month from the 6.25% general rate
2 on the selling price of sorbents used in Illinois in the
3 process of sorbent injection as used to comply with the
4 Environmental Protection Act or the federal Clean Air Act, but
5 the total payment into the Clean Air Act Permit Fund under this
6 Act and the Retailers' Occupation Tax Act shall not exceed

7 \$2,000,000 in any fiscal year.

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

23 Beginning July 1, 2015, of the remainder of the moneys
24 received by the Department under this Act, the Service Use Tax
25 Act, the Service Occupation Tax Act, and the Retailers'
26 Occupation Tax Act, each month the Department shall deposit

1 \$500,000 into the State Crime Laboratory Fund.

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

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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
13 securing Bonds issued and outstanding pursuant to the Build
14 Illinois Bond Act is sufficient, taking into account any
15 future investment income, to fully provide, in accordance with
16 such 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 into 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
6 Fund; provided, however, that any amounts paid to the Build
7 Illinois Fund in any fiscal year pursuant to this sentence
8 shall be deemed to constitute payments pursuant to clause (b)
9 of the preceding sentence and shall reduce the amount
10 otherwise payable for such fiscal year pursuant to clause (b)
11 of the preceding sentence. The moneys received by the
12 Department pursuant to this Act and required to be deposited
13 into the Build Illinois Fund are subject to the pledge, claim
14 and charge set forth in Section 12 of the Build Illinois Bond
15 Act.

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

1 Expansion Project Fund in the specified fiscal years.

2	Fiscal Year	Total Deposit
3	1993	\$0
4	1994	53,000,000
5	1995	58,000,000
6	1996	61,000,000
7	1997	64,000,000
8	1998	68,000,000
9	1999	71,000,000

10	2000	75,000,000
11	2001	80,000,000
12	2002	93,000,000
13	2003	99,000,000
14	2004	103,000,000
15	2005	108,000,000
16	2006	113,000,000
17	2007	119,000,000
18	2008	126,000,000
19	2009	132,000,000
20	2010	139,000,000
21	2011	146,000,000
22	2012	153,000,000
23	2013	161,000,000
24	2014	170,000,000
25	2015	179,000,000
26	2016	189,000,000

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1	2017	199,000,000
2	2018	210,000,000
3	2019	221,000,000
4	2020	233,000,000
5	2021	300,000,000
6	2022	300,000,000
7	2023	300,000,000
8	2024	300,000,000
9	2025	300,000,000
10	2026	300,000,000
11	2027	375,000,000
12	2028	375,000,000
13	2029	375,000,000
14	2030	375,000,000
15	2031	375,000,000
16	2032	375,000,000
17	2033	375,000,000

18	2034	375,000,000
19	2035	375,000,000
20	2036	450,000,000
21	and	
22	each fiscal year	
23	thereafter that bonds	
24	are outstanding under	
25	Section 13.2 of the	
26	Metropolitan Pier and	

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1 Exposition Authority Act,
2 but not after fiscal year 2060.

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

16 Subject to payment of amounts into the Capital Projects
17 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
18 and the McCormick Place Expansion Project Fund pursuant to the
19 preceding paragraphs or in any amendments thereto hereafter
20 enacted, for aviation fuel sold on or after December 1, 2019,
21 the Department shall each month deposit into the Aviation Fuel
22 Sales Tax Refund Fund an amount estimated by the Department to
23 be required for refunds of the 80% portion of the tax on
24 aviation fuel under this Act. The Department shall only
25 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
26 under this paragraph for so long as the revenue use

1 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
2 binding on the State.

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 July 1, 1993 and ending on September 30,
7 2013, the Department shall each month pay into the Illinois
8 Tax Increment Fund 0.27% of 80% of the net revenue realized for
9 the preceding month from the 6.25% general rate on the selling
10 price of tangible personal property.

11 Subject to payment of amounts into the Build Illinois
12 Fund, the McCormick Place Expansion Project Fund, the Illinois
13 Tax Increment Fund, and the Energy Infrastructure Fund
14 pursuant to the preceding paragraphs or in any amendments to
15 this Section hereafter enacted, beginning on the first day of
16 the first calendar month to occur on or after August 26, 2014
17 (the effective date of Public Act 98-1098), each month, from
18 the collections made under Section 9 of the Use Tax Act,
19 Section 9 of the Service Use Tax Act, Section 9 of the Service
20 Occupation Tax Act, and Section 3 of the Retailers' Occupation
21 Tax Act, the Department shall pay into the Tax Compliance and
22 Administration Fund, to be used, subject to appropriation, to
23 fund additional auditors and compliance personnel at the
24 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
25 the cash receipts collected during the preceding fiscal year
26 by the Audit Bureau of the Department under the Use Tax Act,

1 the Service Use Tax Act, the Service Occupation Tax Act, the
2 Retailers' Occupation Tax Act, and associated local occupation
3 and use taxes administered by the Department.

4 Subject to payments of amounts into the Build Illinois
5 Fund, the McCormick Place Expansion Project Fund, the Illinois
6 Tax Increment Fund, and the Tax Compliance and Administration

7 Fund as provided in this Section, beginning on July 1, 2018 the
8 Department shall pay each month into the Downstate Public
9 Transportation Fund the moneys required to be so paid under
10 Section 2-3 of the Downstate Public Transportation Act.

11 Subject to successful execution and delivery of a
12 public-private agreement between the public agency and private
13 entity and completion of the civic build, beginning on July 1,
14 2023, of the remainder of the moneys received by the
15 Department under the Use Tax Act, the Service Use Tax Act, the
16 Service Occupation Tax Act, and this Act, the Department shall
17 deposit the following specified deposits in the aggregate from
18 collections under the Use Tax Act, the Service Use Tax Act, the
19 Service Occupation Tax Act, and the Retailers' Occupation Tax
20 Act, as required under Section 8.25g of the State Finance Act
21 for distribution consistent with the Public-Private
22 Partnership for Civic and Transit Infrastructure Project Act.
23 The moneys received by the Department pursuant to this Act and
24 required to be deposited into the Civic and Transit
25 Infrastructure Fund are subject to the pledge, claim, and
26 charge set forth in Section 25-55 of the Public-Private

1 Partnership for Civic and Transit Infrastructure Project Act.
2 As used in this paragraph, "civic build", "private entity",
3 "public-private agreement", and "public agency" have the
4 meanings provided in Section 25-10 of the Public-Private
5 Partnership for Civic and Transit Infrastructure Project Act.

6	Fiscal Year.....	Total Deposit
7	2024.....	\$200,000,000
8	2025.....	\$206,000,000
9	2026.....	\$212,200,000
10	2027.....	\$218,500,000
11	2028.....	\$225,100,000
12	2029.....	\$288,700,000
13	2030.....	\$298,900,000
14	2031.....	\$309,300,000
15	2032.....	\$320,100,000
16	2033.....	\$331,200,000
17	2034.....	\$341,200,000
18	2035.....	\$351,400,000

19	2036.....	\$361,900,000
20	2037.....	\$372,800,000
21	2038.....	\$384,000,000
22	2039.....	\$395,500,000
23	2040.....	\$407,400,000
24	2041.....	\$419,600,000
25	2042.....	\$432,200,000
26	2043.....	\$445,100,000

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1 Beginning July 1, 2021 and until July 1, 2022, subject to
2 the payment of amounts into the State and Local Sales Tax
3 Reform Fund, the Build Illinois Fund, the McCormick Place
4 Expansion Project Fund, the Illinois Tax Increment Fund, and
5 the Tax Compliance and Administration Fund as provided in this
6 Section, the Department shall pay each month into the Road
7 Fund the amount estimated to represent 16% of the net revenue
8 realized from the taxes imposed on motor fuel and gasohol.
9 Beginning July 1, 2022 and until July 1, 2023, subject to the
10 payment of amounts into the State and Local Sales Tax Reform
11 Fund, the Build Illinois Fund, the McCormick Place Expansion
12 Project Fund, the Illinois Tax Increment Fund, and the Tax
13 Compliance and Administration Fund as provided in this
14 Section, the Department shall pay each month into the Road
15 Fund the amount estimated to represent 32% of the net revenue
16 realized from the taxes imposed on motor fuel and gasohol.
17 Beginning July 1, 2023 and until July 1, 2024, subject to the
18 payment of amounts into the State and Local Sales Tax Reform
19 Fund, the Build Illinois Fund, the McCormick Place Expansion
20 Project Fund, the Illinois Tax Increment Fund, and the Tax
21 Compliance and Administration Fund as provided in this
22 Section, the Department shall pay each month into the Road
23 Fund the amount estimated to represent 48% of the net revenue
24 realized from the taxes imposed on motor fuel and gasohol.
25 Beginning July 1, 2024 and until July 1, 2026, subject to the
26 payment of amounts into the State and Local Sales Tax Reform

1 Fund, the Build Illinois Fund, the McCormick Place Expansion
2 Project Fund, the Illinois Tax Increment Fund, and the Tax
3 Compliance and Administration Fund as provided in this
4 Section, the Department shall pay each month into the Road
5 Fund the amount estimated to represent 64% of the net revenue
6 realized from the taxes imposed on motor fuel and gasohol.
7 Beginning on July 1, 2026, subject to the payment of amounts
8 into the State and Local Sales Tax Reform Fund, the Build
9 Illinois Fund, the McCormick Place Expansion Project Fund, the
10 Illinois Tax Increment Fund, and the Tax Compliance and
11 Administration Fund as provided in this Section, the
12 Department shall pay each month into the Public Transportation
13 Fund and the Downstate Public Transportation Fund the amount
14 estimated to represent 80% of the net revenue realized from
15 the taxes imposed on motor fuel and gasohol. Moneys shall be
16 apportioned as follows: 85% into the Public Transportation
17 Fund and 15% into the Downstate Public Transportation Fund. As
18 used in this paragraph, "motor fuel" has the meaning given to
19 that term in Section 1.1 of the Motor Fuel Tax Law, and
20 "gasohol" has the meaning given to that term in Section 3-40 of
21 this Act.

22 Until July 1, 2025, of the remainder of the moneys
23 received by the Department pursuant to this Act, 75% thereof
24 shall be paid into the State treasury and 25% shall be reserved
25 in a special account and used only for the transfer to the
26 Common School Fund as part of the monthly transfer from the

1 General Revenue Fund in accordance with Section 8a of the
2 State Finance Act. Beginning July 1, 2025, of the remainder of
3 the moneys received by the Department pursuant to this Act,
4 75% shall be deposited into the General Revenue Fund and 25%
5 shall be deposited into the Common School Fund.

6 As soon as possible after the first day of each month, upon
7 certification of the Department of Revenue, the Comptroller
8 shall order transferred and the Treasurer shall transfer from
9 the General Revenue Fund to the Motor Fuel Tax Fund an amount
10 equal to 1.7% of 80% of the net revenue realized under this Act

11 for the second preceding month. Beginning April 1, 2000, this
12 transfer is no longer required and shall not be made.

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

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

24 (Source: P.A. 103-154, eff. 6-30-23; 103-363, eff. 7-28-23;
25 103-592, Article 75, Section 75-5, eff. 1-1-25; 103-592,
26 Article 110, Section 110-5, eff. 6-7-24; 103-1055, eff.

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1 12-20-24; 104-6, Article 5, Section 5-10, eff. 6-16-25; 104-6,
2 Article 35, Section 35-20, eff. 6-16-25; 104-457, eff.
3 6-1-26.)

4 Section 125-10. The Retailers' Occupation Tax Act is
5 amended by changing Sections 2-8, 2-10, and 3 as follows:

6 (35 ILCS 120/2-8)

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

8 (a) Any tangible personal property described in this
9 subsection is a sales tax holiday item and qualifies for the
10 1.25% reduced rate of tax for the period set forth in Section
11 2-10 of this Act (hereinafter referred to as the Sales Tax
12 Holiday Period). The reduced rate on these items shall be
13 administered under the provisions of subsection (b) of this
14 Section. The following items are subject to the reduced rate:

15 (1) Clothing items that each have a retail selling
16 price of less than \$125.

17 "Clothing" means, unless otherwise specified in this
18 Section, all human wearing apparel suitable for general
19 use. "Clothing" does not include clothing accessories,
20 protective equipment, or sport or recreational equipment.

21 "Clothing" includes, but is not limited to: household and
22 shop aprons; athletic supporters; bathing suits and caps;
23 belts and suspenders; boots; coats and jackets; ear muffs;
24 footlets; gloves and mittens for general use; hats and

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

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

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

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

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

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1 supplies for use by persons other than students for use in
2 a course of study are not eligible for the reduced rate of

3 tax. "School supplies" do not include school art supplies;
4 school instructional materials; cameras; film and memory
5 cards; videocameras, tapes, and videotapes; computers;
6 cell phones; Personal Digital Assistants (PDAs); handheld
7 electronic schedulers; and school computer supplies.

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

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

26 "School instructional material" means written material

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

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

13 (b) Administration. Notwithstanding any other provision of
14 this Act, the reduced rate of tax under Section 2-10 ~~3-10~~ of

15 this Act for clothing and school supplies shall be
16 administered by the Department under the provisions of this
17 subsection (b).

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

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

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

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

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

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

26 (A) If a customer purchases an item of eligible

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

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

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

21 (6) (Blank).

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

1 and the seller accepts the order during the Sales Tax
2 Holiday Period for immediate shipment, even if delivery is
3 made after the Sales Tax Holiday Period. The seller
4 accepts an order when the seller has taken action to fill
5 the order for immediate shipment. Actions to fill an order
6 include placement of an "in date" stamp on an order or

7 assignment of an "order number" to an order within the
8 Sales Tax Holiday Period. An order is for immediate
9 shipment when the customer does not request delayed
10 shipment. An order is for immediate shipment
11 notwithstanding that the shipment may be delayed because
12 of a backlog of orders or because stock is currently
13 unavailable to, or on back order by, the seller.

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

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

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

12 (Source: P.A. 102-700, eff. 4-19-22.)

13 (35 ILCS 120/2-10) from Ch. 120, par. 441-10

14 Sec. 2-10. Rate of tax. Unless otherwise provided in this
15 Section, the tax imposed by this Act is at the rate of 6.25% of
16 gross receipts from sales, which, on and after January 1,
17 2025, includes leases, of tangible personal property made in

18 the course of business.

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

23 Beginning on August 6, 2010 through August 15, 2010, and
24 beginning again on August 5, 2022 through August 14, 2022, and
25 beginning again on August 7, 2026 through August 16, 2026,

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1 with respect to sales tax holiday items as defined in Section
2 2-8 of this Act, the tax is imposed at the rate of 1.25%.

3 Within 14 days after July 1, 2000 (the effective date of
4 Public Act 91-872), each retailer of motor fuel and gasohol
5 shall cause the following notice to be posted in a prominently
6 visible place on each retail dispensing device that is used to
7 dispense motor fuel or gasohol in the State of Illinois: "As of
8 July 1, 2000, the State of Illinois has eliminated the State's
9 share of sales tax on motor fuel and gasohol through December
10 31, 2000. The price on this pump should reflect the
11 elimination of the tax." The notice shall be printed in bold
12 print on a sign that is no smaller than 4 inches by 8 inches.
13 The sign shall be clearly visible to customers. Any retailer
14 who fails to post or maintain a required sign through December
15 31, 2000 is guilty of a petty offense for which the fine shall
16 be \$500 per day per each retail premises where a violation
17 occurs.

18 With respect to gasohol, as defined in the Use Tax Act, the
19 tax imposed by this Act applies to (i) 70% of the proceeds of
20 sales made on or after January 1, 1990, and before July 1,
21 2003, (ii) 80% of the proceeds of sales made on or after July
22 1, 2003 and on or before July 1, 2017, (iii) 100% of the
23 proceeds of sales made after July 1, 2017 and prior to January
24 1, 2024, (iv) 90% of the proceeds of sales made on or after
25 January 1, 2024 and on or before December 31, 2028, and (v)
26 100% of the proceeds of sales made after December 31, 2028. If,

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

5 With respect to mid-range ethanol blends, as defined in
6 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
7 applies to (i) 80% of the proceeds of sales made on or after
8 January 1, 2024 and on or before December 31, 2028 and (ii)
9 100% of the proceeds of sales made after December 31, 2028. If,
10 at any time, however, the tax under this Act on sales of
11 mid-range ethanol blends is imposed at the rate of 1.25%, then
12 the tax imposed by this Act applies to 100% of the proceeds of
13 sales of mid-range ethanol blends made during that time.

14 With respect to majority blended ethanol fuel, as defined
15 in the Use Tax Act, the tax imposed by this Act does not apply
16 to the proceeds of sales made on or after July 1, 2003 and on
17 or before December 31, 2028 but applies to 100% of the proceeds
18 of sales made thereafter.

19 With respect to biodiesel blends, as defined in the Use
20 Tax Act, with no less than 1% and no more than 10% biodiesel,
21 the tax imposed by this Act applies to (i) 80% of the proceeds
22 of sales made on or after July 1, 2003 and on or before
23 December 31, 2018 and (ii) 100% of the proceeds of sales made
24 after December 31, 2018 and before January 1, 2024. On and
25 after January 1, 2024 and on or before December 31, 2030, the
26 taxation of biodiesel, renewable diesel, and biodiesel blends

1 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
2 at any time, however, the tax under this Act on sales of
3 biodiesel blends, as defined in the Use Tax Act, with no less
4 than 1% and no more than 10% biodiesel is imposed at the rate
5 of 1.25%, then the tax imposed by this Act applies to 100% of
6 the proceeds of sales of biodiesel blends with no less than 1%
7 and no more than 10% biodiesel made during that time.

8 With respect to biodiesel, as defined in the Use Tax Act,
9 and biodiesel blends, as defined in the Use Tax Act, with more
10 than 10% but no more than 99% biodiesel, the tax imposed by

11 this Act does not apply to the proceeds of sales made on or
12 after July 1, 2003 and on or before December 31, 2023. On and
13 after January 1, 2024 and on or before December 31, 2030, the
14 taxation of biodiesel, renewable diesel, and biodiesel blends
15 shall be as provided in Section 3-5.1 of the Use Tax Act.

16 Until July 1, 2022 and from July 1, 2023 through December
17 31, 2025, with respect to food for human consumption that is to
18 be consumed off the premises where it is sold (other than
19 alcoholic beverages, food consisting of or infused with adult
20 use cannabis, soft drinks, and food that has been prepared for
21 immediate consumption), the tax is imposed at the rate of 1%.
22 Beginning July 1, 2022 and until July 1, 2023, with respect to
23 food for human consumption that is to be consumed off the
24 premises where it is sold (other than alcoholic beverages,
25 food consisting of or infused with adult use cannabis, soft
26 drinks, and food that has been prepared for immediate

1 consumption), the tax is imposed at the rate of 0%. On and
2 after January 1, 2026, food for human consumption that is to be
3 consumed off the premises where it is sold (other than
4 alcoholic beverages, food consisting of or infused with adult
5 use cannabis, soft drinks, candy, and food that has been
6 prepared for immediate consumption) is exempt from the tax
7 imposed by this Act.

8 With respect to prescription and nonprescription
9 medicines, drugs, medical appliances, products classified as
10 Class III medical devices by the United States Food and Drug
11 Administration that are used for cancer treatment pursuant to
12 a prescription, as well as any accessories and components
13 related to those devices, modifications to a motor vehicle for
14 the purpose of rendering it usable by a person with a
15 disability, and insulin, blood sugar testing materials,
16 syringes, and needles used by human diabetics, the tax is
17 imposed at the rate of 1%. For the purposes of this Section,
18 until September 1, 2009: the term "soft drinks" means any
19 complete, finished, ready-to-use, non-alcoholic drink, whether
20 carbonated or not, including, but not limited to, soda water,
21 cola, fruit juice, vegetable juice, carbonated water, and all
22 other preparations commonly known as soft drinks of whatever

23 kind or description that are contained in any closed or sealed
24 bottle, can, carton, or container, regardless of size; but
25 "soft drinks" does not include coffee, tea, non-carbonated
26 water, infant formula, milk or milk products as defined in the

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1 Grade A Pasteurized Milk and Milk Products Act, or drinks
2 containing 50% or more natural fruit or vegetable juice.

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

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

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

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1 other ingredients or flavorings in the form of bars, drops, or
2 pieces. "Candy" does not include any preparation that contains

3 flour or requires refrigeration.

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

17 (A) a "Drug Facts" panel; or

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

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

26 As used in this Section, "adult use cannabis" means

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1 cannabis subject to tax under the Cannabis Cultivation
2 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
3 and does not include cannabis subject to tax under the
4 Compassionate Use of Medical Cannabis Program Act.
5 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
6 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff.
7 8-15-25.)

8 (35 ILCS 120/3)

9 (Text of Section before amendment by P.A. 104-457)

10 Sec. 3. Except as provided in this Section, on or before
11 the twentieth day of each calendar month, every person engaged
12 in the business of selling, which, on and after January 1,
13 2025, includes leasing, tangible personal property at retail

14 in this State during the preceding calendar month shall file a
15 return with the Department, stating:

16 1. The name of the seller;

17 2. His residence address and the address of his
18 principal place of business and the address of the
19 principal place of business (if that is a different
20 address) from which he engages in the business of selling
21 tangible personal property at retail in this State;

22 3. Total amount of receipts received by him during the
23 preceding calendar month or quarter, as the case may be,
24 from sales of tangible personal property, and from
25 services furnished, by him during such preceding calendar

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1 month or quarter;

2 4. Total amount received by him during the preceding
3 calendar month or quarter on charge and time sales of
4 tangible personal property, and from services furnished,
5 by him prior to the month or quarter for which the return
6 is filed;

7 5. Deductions allowed by law;

8 6. Gross receipts which were received by him during
9 the preceding calendar month or quarter and upon the basis
10 of which the tax is imposed, including gross receipts on
11 food for human consumption that is to be consumed off the
12 premises where it is sold (other than alcoholic beverages,
13 food consisting of or infused with adult use cannabis,
14 soft drinks, and food that has been prepared for immediate
15 consumption) which were received during the preceding
16 calendar month or quarter and upon which tax would have
17 been due but for the 0% rate imposed under Public Act
18 102-700;

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

21 8. The amount of tax due, including the amount of tax
22 that would have been due on food for human consumption
23 that is to be consumed off the premises where it is sold
24 (other than alcoholic beverages, food consisting of or
25 infused with adult use cannabis, soft drinks, and food
26 that has been prepared for immediate consumption) but for

1 the 0% rate imposed under Public Act 102-700;

2 9. The signature of the taxpayer; and

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

5 In the case of leases, except as otherwise provided in
6 this Act, the lessor must remit for each tax return period only
7 the tax applicable to that part of the selling price actually
8 received during such tax return period.

9 On and after January 1, 2018, except for returns required
10 to be filed prior to January 1, 2023 for motor vehicles,
11 watercraft, aircraft, and trailers that are required to be
12 registered with an agency of this State, with respect to
13 retailers whose annual gross receipts average \$20,000 or more,
14 all returns required to be filed pursuant to this Act shall be
15 filed electronically. On and after January 1, 2023, with
16 respect to retailers whose annual gross receipts average
17 \$20,000 or more, all returns required to be filed pursuant to
18 this Act, including, but not limited to, returns for motor
19 vehicles, watercraft, aircraft, and trailers that are required
20 to be registered with an agency of this State, shall be filed
21 electronically. Retailers who demonstrate that they do not
22 have access to the Internet or demonstrate hardship in filing
23 electronically may petition the Department to waive the
24 electronic filing requirement.

25 If a taxpayer fails to sign a return within 30 days after
26 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be
2 due on the return shall be deemed assessed.

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

6 Prior to October 1, 2003 and on and after September 1,

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

1 Beginning on July 1, 2023 and through December 31, 2032, a
2 retailer may accept a Sustainable Aviation Fuel Purchase
3 Credit certification from an air common carrier-purchaser in
4 satisfaction of Use Tax on aviation fuel as provided in
5 Section 3-87 of the Use Tax Act if the purchaser provides the
6 appropriate documentation as required by Section 3-87 of the
7 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
8 certification accepted by a retailer in accordance with this
9 paragraph may be used by that retailer to satisfy Retailers'
10 Occupation Tax liability (but not in satisfaction of penalty
11 or interest) in the amount claimed in the certification, not
12 to exceed 6.25% of the receipts subject to tax from a sale of
13 aviation fuel. In addition, for a sale of aviation fuel to
14 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
15 retailers must retain in their books and records a
16 certification from the producer of the aviation fuel that the
17 aviation fuel sold by the retailer and for which a sustainable
18 aviation fuel purchase credit was earned meets the definition

19 of sustainable aviation fuel under Section 3-87 of the Use Tax
20 Act. The documentation must include detail sufficient for the
21 Department to determine the number of gallons of sustainable
22 aviation fuel sold.

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

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1 taxpayer shall also file a return with the Department for each
2 of the first 2 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 the business of selling tangible
7 personal property at retail in this State;
- 8 3. The total amount of taxable receipts received by
9 him during the preceding calendar month from sales of
10 tangible personal property by him during such preceding
11 calendar month, including receipts from charge and time
12 sales, but less all deductions allowed by law;
- 13 4. The amount of credit provided in Section 2d of this
14 Act;
- 15 5. The amount of tax due; and
- 16 6. Such other reasonable information as the Department
17 may require.

18 Every person engaged in the business of selling aviation
19 fuel at retail in this State during the preceding calendar
20 month shall, instead of reporting and paying tax as otherwise
21 required by this Section, report and pay such tax on a separate
22 aviation fuel tax return. The requirements related to the
23 return shall be as otherwise provided in this Section.
24 Notwithstanding any other provisions of this Act to the
25 contrary, retailers selling aviation fuel shall file all
26 aviation fuel tax returns and shall make all aviation fuel tax

1 payments by electronic means in the manner and form required
2 by the Department. For purposes of this Section, "aviation
3 fuel" means jet fuel and aviation gasoline.

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

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

1 the purchaser's tax registration number; and such other
2 information reasonably required by the Department. A
3 distributor, importing distributor, or manufacturer of
4 alcoholic liquor must personally deliver, mail, or provide by
5 electronic means to each retailer listed on the monthly
6 statement a report containing a cumulative total of that
7 distributor's, importing distributor's, or manufacturer's
8 total sales of alcoholic liquor to that retailer no later than
9 the 10th day of the month for the preceding month during which
10 the transaction occurred. The distributor, importing

11 distributor, or manufacturer shall notify the retailer as to
12 the method by which the distributor, importing distributor, or
13 manufacturer will provide the sales information. If the
14 retailer is unable to receive the sales information by
15 electronic means, the distributor, importing distributor, or
16 manufacturer shall furnish the sales information by personal
17 delivery or by mail. For purposes of this paragraph, the term
18 "electronic means" includes, but is not limited to, the use of
19 a secure Internet website, e-mail, or facsimile.

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

24 Notwithstanding any other provision of this Act to the
25 contrary, retailers subject to tax on cannabis shall file all
26 cannabis tax returns and shall make all cannabis tax payments

1 by electronic means in the manner and form required by the
2 Department.

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

23 immediately preceding calendar year divided by 12. Beginning
24 on October 1, 2002, a taxpayer who has a tax liability in the
25 amount set forth in subsection (b) of Section 2505-210 of the
26 Department of Revenue Law shall make all payments required by

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1 rules of the Department by electronic funds transfer.

2 Before August 1 of each year beginning in 1993, the
3 Department shall notify all taxpayers required to make
4 payments by electronic funds transfer. All taxpayers required
5 to make payments by electronic funds transfer shall make those
6 payments 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
13 payments 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 Any amount which is required to be shown or reported on any
18 return or other document under this Act shall, if such amount
19 is not a whole-dollar amount, be increased to the nearest
20 whole-dollar amount in any case where the fractional part of a
21 dollar is 50 cents or more, and decreased to the nearest
22 whole-dollar amount where the fractional part of a dollar is
23 less than 50 cents.

24 If the retailer is otherwise required to file a monthly
25 return and if the retailer's average monthly tax liability to
26 the Department does not exceed \$200, the Department may

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1 authorize his returns to be filed on a quarter annual basis,
2 with the return for January, February, and March of a given

3 year being due by April 20 of such year; with the return for
4 April, May, and June of a given year being due by July 20 of
5 such year; with the return for July, August, and September of a
6 given year being due by October 20 of such year, and with the
7 return for October, November, and December of a given year
8 being due by January 20 of the following year.

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

15 Such quarter annual and annual returns, as to form and
16 substance, shall be subject to the same requirements as
17 monthly returns.

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

25 Where the same person has more than one business
26 registered with the Department under separate registrations

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

5 In addition, with respect to motor vehicles, watercraft,
6 aircraft, and trailers that are required to be registered with
7 an agency of this State, except as otherwise provided in this
8 Section, every retailer selling this kind of tangible personal
9 property shall file, with the Department, upon a form to be
10 prescribed and supplied by the Department, a separate return
11 for each such item of tangible personal property which the
12 retailer sells, except that if, in the same transaction, (i) a
13 retailer of aircraft, watercraft, motor vehicles, or trailers
14 transfers more than one aircraft, watercraft, motor vehicle,

15 or trailer to another aircraft, watercraft, motor vehicle
16 retailer, or trailer retailer for the purpose of resale or
17 (ii) a retailer of aircraft, watercraft, motor vehicles, or
18 trailers transfers more than one aircraft, watercraft, motor
19 vehicle, or trailer to a purchaser for use as a qualifying
20 rolling stock as provided in Section 2-5 of this Act, then that
21 seller may report the transfer of all aircraft, watercraft,
22 motor vehicles, or trailers involved in that transaction to
23 the Department on the same uniform invoice-transaction
24 reporting return form. For purposes of this Section,
25 "watercraft" means a Class 2, Class 3, or Class 4 watercraft as
26 defined in Section 3-2 of the Boat Registration and Safety

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

3 In addition, with respect to motor vehicles, watercraft,
4 aircraft, and trailers that are required to be registered with
5 an agency of this State, every person who is engaged in the
6 business of leasing or renting such items and who, in
7 connection with such business, sells any such item to a
8 retailer for the purpose of resale is, notwithstanding any
9 other provision of this Section to the contrary, authorized to
10 meet the return-filing requirement of this Act by reporting
11 the transfer of all the aircraft, watercraft, motor vehicles,
12 or trailers transferred for resale during a month to the
13 Department on the same uniform invoice-transaction reporting
14 return form on or before the 20th of the month following the
15 month in which the transfer takes place. Notwithstanding any
16 other provision of this Act to the contrary, all returns filed
17 under this paragraph must be filed by electronic means in the
18 manner and form as required by the Department.

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

7 purchaser by the retailer on such transaction (or satisfactory
8 evidence that such tax is not due in that particular instance,
9 if that is claimed to be the fact); the place and date of the
10 sale, a sufficient identification of the property sold, and
11 such other information as the Department may reasonably
12 require.

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

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

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

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

19 mandate of this paragraph.

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

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

12 On and after January 1, 2025, with respect to the lease of
13 trailers, other than semitrailers as defined in Section 1-187
14 of the Illinois Vehicle Code, that are required to be
15 registered with an agency of this State and that are subject to
16 the tax on lease receipts under this Act, notwithstanding any
17 other provision of this Act to the contrary, for the purpose of
18 reporting and paying tax under this Act on those lease
19 receipts, lessors shall file returns in addition to and
20 separate from the transaction reporting return. Lessors shall
21 file those lease returns and make payment to the Department by
22 electronic means on or before the 20th day of each month
23 following the month, quarter, or year, as applicable, in which
24 lease receipts were received. All lease receipts received by
25 the lessor from the lease of those trailers during the same
26 reporting period shall be reported and tax shall be paid on a

1 single return form to be prescribed by the Department.

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

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

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

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

1 provider, as defined in the Leveling the Playing Field for
2 Illinois Retail Act, filing the return under this Section on
3 behalf of a remote retailer or a retailer maintaining a place
4 of business in this State shall, at the time of such return,
5 pay to the Department the amount of tax imposed by this Act
6 less a discount of 1.75%. A remote retailer or a retailer
7 maintaining a place of business in this State using a
8 certified service provider to file a return on its behalf, as
9 provided in the Leveling the Playing Field for Illinois Retail
10 Act, is not eligible for the discount. Beginning with returns

11 due on or after January 1, 2025, the vendor's discount allowed
12 in this Section, the Service Occupation Tax Act, the Use Tax
13 Act, and the Service Use Tax Act, including any local tax
14 administered by the Department and reported on the same
15 return, shall not exceed \$1,000 per month in the aggregate for
16 returns other than transaction returns filed during the month.
17 When determining the discount allowed under this Section,
18 retailers shall include the amount of tax that would have been
19 due at the 1% rate but for the 0% rate imposed under Public Act
20 102-700. When determining the discount allowed under this
21 Section, retailers shall include the amount of tax that would
22 have been due at the 6.25% rate but for the 1.25% rate imposed
23 on sales tax holiday items under Public Act 102-700 and under
24 this amendatory Act of the 104th General Assembly. The
25 discount under this Section is not allowed for the 1.25%
26 portion of taxes paid on aviation fuel that is subject to the

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1 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
2 47133. Any prepayment made pursuant to Section 2d of this Act
3 shall be included in the amount on which such discount is
4 computed. In the case of retailers who report and pay the tax
5 on a transaction by transaction basis, as provided in this
6 Section, such discount shall be taken with each such tax
7 remittance instead of when such retailer files his periodic
8 return, but, beginning with returns due on or after January 1,
9 2025, the vendor's discount allowed under this Section and the
10 Use Tax Act, including any local tax administered by the
11 Department and reported on the same transaction return, shall
12 not exceed \$1,000 per month for all transaction returns filed
13 during the month. The discount allowed under this Section is
14 allowed only for returns that are filed in the manner required
15 by this Act. The Department may disallow the discount for
16 retailers whose certificate of registration is revoked at the
17 time the return is filed, but only if the Department's
18 decision to revoke the certificate of registration has become
19 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
25 \$10,000 or more during the preceding 4 complete calendar
26 quarters, he shall file a return with the Department each

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

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1 month or 27.5% of the taxpayer's liability for the same
2 calendar month of the preceding year. If the month during

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

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

15 taxpayers having an average monthly tax liability of \$20,000
16 or more as determined in the manner provided above shall
17 continue until such taxpayer's average monthly liability to
18 the Department during the preceding 4 complete calendar
19 quarters (excluding the month of highest liability and the
20 month of lowest liability) is less than \$19,000 or until such
21 taxpayer's average monthly liability to the Department as
22 computed for each calendar quarter of the 4 preceding complete
23 calendar quarter period is less than \$20,000. However, if a
24 taxpayer can show the Department that a substantial change in
25 the taxpayer's business has occurred which causes the taxpayer
26 to anticipate that his average monthly tax liability for the

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1 reasonably foreseeable future will fall below the \$20,000
2 threshold stated above, then such taxpayer may petition the
3 Department for a change in such taxpayer's reporting status.
4 The Department shall change such taxpayer's reporting status
5 unless it finds that such change is seasonal in nature and not
6 likely to be long term. Quarter monthly payment status shall
7 be determined under this paragraph as if the rate reduction to
8 0% in Public Act 102-700 on food for human consumption that is
9 to be consumed off the premises where it is sold (other than
10 alcoholic beverages, food consisting of or infused with adult
11 use cannabis, soft drinks, and food that has been prepared for
12 immediate consumption) had not occurred. For quarter monthly
13 payments due under this paragraph on or after July 1, 2023 and
14 through June 30, 2024, "25% of the taxpayer's liability for
15 the same calendar month of the preceding year" shall be
16 determined as if the rate reduction to 0% in Public Act 102-700
17 had not occurred. Quarter monthly payment status shall be
18 determined under this paragraph as if the rate reduction to
19 1.25% in Public Act 102-700 and in this amendatory Act of the
20 104th General Assembly on sales tax holiday items had not
21 occurred. For quarter monthly payments due on or after July 1,
22 2023 and through June 30, 2024, and on or after July 1, 2027
23 and through June 30, 2028, "25% of the taxpayer's liability
24 for the same calendar month of the preceding year" shall be
25 determined as if the rate reduction to 1.25% in Public Act
26 102-700 and in this amendatory Act of the 104th General

1 Assembly on sales tax holiday items had not occurred. If any
2 such 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
5 the minimum amount due as a payment and the amount of such
6 quarter monthly payment actually and timely paid, except
7 insofar as the taxpayer has previously made payments for that
8 month to the Department in excess of the minimum payments
9 previously due as provided in this Section. The Department
10 shall make reasonable rules and regulations to govern the
11 quarter monthly payment amount and quarter monthly payment
12 dates for taxpayers who file on other than a calendar monthly
13 basis.

14 The provisions of this paragraph apply before October 1,
15 2001. Without regard to whether a taxpayer is required to make
16 quarter monthly payments as specified above, any taxpayer who
17 is required by Section 2d of this Act to collect and remit
18 prepaid taxes and has collected prepaid taxes which average in
19 excess of \$25,000 per month during the preceding 2 complete
20 calendar quarters, shall file a return with the Department as
21 required by Section 2f and shall make payments to the
22 Department on or before the 7th, 15th, 22nd and last day of the
23 month during which such liability is incurred. If the month
24 during which such tax liability is incurred began prior to
25 September 1, 1985 (the effective date of Public Act 84-221),
26 each payment shall be in an amount not less than 22.5% of the

1 taxpayer's actual liability under Section 2d. If the month
2 during which such tax liability is incurred begins on or after
3 January 1, 1986, each payment shall be in an amount equal to
4 22.5% of the taxpayer's actual liability for the month or
5 27.5% of the taxpayer's liability for the same calendar month
6 of the preceding calendar year. If the month during which such

7 tax liability is incurred begins on or after January 1, 1987,
8 each payment shall be in an amount equal to 22.5% of the
9 taxpayer's actual liability for the month or 26.25% of the
10 taxpayer's liability for the same calendar month of the
11 preceding year. The amount of such quarter monthly payments
12 shall be credited against the final tax liability of the
13 taxpayer's return for that month filed under this Section or
14 Section 2f, as the case may be. Once applicable, the
15 requirement of the making of quarter monthly payments to the
16 Department pursuant to this paragraph shall continue until
17 such taxpayer's average monthly prepaid tax collections during
18 the preceding 2 complete calendar quarters is \$25,000 or less.
19 If any such quarter monthly payment is not paid at the time or
20 in the amount required, the taxpayer shall be liable for
21 penalties and interest on such difference, except insofar as
22 the taxpayer has previously made payments for that month in
23 excess of the minimum payments previously due.
24 The provisions of this paragraph apply on and after
25 October 1, 2001. Without regard to whether a taxpayer is
26 required to make quarter monthly payments as specified above,

1 any taxpayer who is required by Section 2d of this Act to
2 collect and remit prepaid taxes and has collected prepaid
3 taxes that average in excess of \$20,000 per month during the
4 preceding 4 complete calendar quarters shall file a return
5 with the Department as required by Section 2f and shall make
6 payments to the Department on or before the 7th, 15th, 22nd,
7 and last day of the month during which the liability is
8 incurred. Each payment shall be in an amount equal to 22.5% of
9 the taxpayer's actual liability for the month or 25% of the
10 taxpayer's liability for the same calendar month of the
11 preceding year. The amount of the quarter monthly payments
12 shall be credited against the final tax liability of the
13 taxpayer's return for that month filed under this Section or
14 Section 2f, as the case may be. Once applicable, the
15 requirement of the making of quarter monthly payments to the
16 Department pursuant to this paragraph shall continue until the
17 taxpayer's average monthly prepaid tax collections during the
18 preceding 4 complete calendar quarters (excluding the month of

19 highest liability and the month of lowest liability) is less
20 than \$19,000 or until such taxpayer's average monthly
21 liability to the Department as computed for each calendar
22 quarter of the 4 preceding complete calendar quarters is less
23 than \$20,000. If any such quarter monthly payment is not paid
24 at the time or in the amount required, the taxpayer shall be
25 liable for penalties and interest on such difference, except
26 insofar as the taxpayer has previously made payments for that

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1 month in excess of the minimum payments previously due.

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

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

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

3 The net revenue realized at the 15% rate under either
4 Section 4 or Section 5 of this Act shall be deposited as
5 follows: (i) notwithstanding the provisions of this Section to
6 the contrary, the net revenue realized from the portion of the
7 rate in excess of 5% shall be deposited into the State and
8 Local Sales Tax Reform Fund; and (ii) the net revenue realized
9 from the 5% portion of the rate shall be deposited as provided
10 in this Section for the 5% portion of the 6.25% general rate
11 imposed under this Act.

12 Beginning January 1, 1990, each month the Department shall
13 pay into the Local Government Tax Fund, a special fund in the
14 State treasury which is hereby created, the net revenue
15 realized for the preceding month from the 1% tax imposed under
16 this Act.

17 Beginning January 1, 1990, each month the Department shall
18 pay into the County and Mass Transit District Fund, a special
19 fund in the State treasury which is hereby created, 4% of the
20 net revenue realized for the preceding month from the 6.25%
21 general rate other than aviation fuel sold on or after
22 December 1, 2019. This exception for aviation fuel only
23 applies for so long as the revenue use requirements of 49
24 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

25 Beginning August 1, 2000, each month the Department shall
26 pay into the County and Mass Transit District Fund 20% of the

1 net revenue realized for the preceding month from the 1.25%
2 rate on the selling price of motor fuel and gasohol. If, in any
3 month, the tax on sales tax holiday items, as defined in
4 Section 2-8, is imposed at the rate of 1.25%, then the
5 Department shall pay 20% of the net revenue realized for that
6 month from the 1.25% rate on the selling price of sales tax
7 holiday items into the County and Mass Transit District Fund.

8 Beginning January 1, 1990, each month the Department shall
9 pay into the Local Government Tax Fund 16% of the net revenue
10 realized for the preceding month from the 6.25% general rate

11 on the selling price of tangible personal property other than
12 aviation fuel sold on or after December 1, 2019. This
13 exception for aviation fuel only applies for so long as the
14 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
15 47133 are binding on the State.

16 For aviation fuel sold on or after December 1, 2019, each
17 month the Department shall pay into the State Aviation Program
18 Fund 20% of the net revenue realized for the preceding month
19 from the 6.25% general rate on the selling price of aviation
20 fuel, less an amount estimated by the Department to be
21 required for refunds of the 20% portion of the tax on aviation
22 fuel under this Act, which amount shall be deposited into the
23 Aviation Fuel Sales Tax Refund Fund. The Department shall only
24 pay moneys into the State Aviation Program Fund and the
25 Aviation Fuel Sales Tax Refund Fund under this Act for so long
26 as the revenue use requirements of 49 U.S.C. 47107(b) and 49

1 U.S.C. 47133 are binding on the State.

2 Beginning August 1, 2000, each month the Department shall
3 pay into the Local Government Tax Fund 80% of the net revenue
4 realized for the preceding month from the 1.25% rate on the
5 selling price of motor fuel and gasohol. If, in any month, the
6 tax on sales tax holiday items, as defined in Section 2-8, is
7 imposed at the rate of 1.25%, then the Department shall pay 80%
8 of the net revenue realized for that month from the 1.25% rate
9 on the selling price of sales tax holiday items into the Local
10 Government Tax Fund.

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

18 Beginning July 1, 2011, each month the Department shall
19 pay into the Clean Air Act Permit Fund 80% of the net revenue
20 realized for the preceding month from the 6.25% general rate
21 on the selling price of sorbents used in Illinois in the
22 process of sorbent injection as used to comply with the

23 Environmental Protection Act or the federal Clean Air Act, but
24 the total payment into the Clean Air Act Permit Fund under this
25 Act and the Use Tax Act shall not exceed \$2,000,000 in any
26 fiscal year.

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

16 Beginning July 1, 2015, of the remainder of the moneys
17 received by the Department under the Use Tax Act, the Service
18 Use Tax Act, the Service Occupation Tax Act, and this Act, each
19 month the Department shall deposit \$500,000 into the State
20 Crime Laboratory Fund.

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

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1 may be, of the moneys received by the Department and required
2 to be paid into the Build Illinois Fund pursuant to this Act,

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

15	Fiscal Year	Annual Specified Amount
16	1986	\$54,800,000
17	1987	\$76,650,000
18	1988	\$80,480,000
19	1989	\$88,510,000
20	1990	\$115,330,000
21	1991	\$145,470,000
22	1992	\$182,730,000
23	1993	\$206,520,000;

24 and means the Certified Annual Debt Service Requirement (as
25 defined in Section 13 of the Build Illinois Bond Act) or the
26 Tax Act Amount, whichever is greater, for fiscal year 1994 and

1 each fiscal year thereafter; and further provided, that if on
2 the last business day of any month the sum of (1) the Tax Act
3 Amount required to be deposited into the Build Illinois Bond
4 Account in the Build Illinois Fund during such month and (2)
5 the amount transferred to the Build Illinois Fund from the
6 State and Local Sales Tax Reform Fund shall have been less than
7 1/12 of the Annual Specified Amount, an amount equal to the
8 difference shall be immediately paid into the Build Illinois
9 Fund from other moneys received by the Department pursuant to
10 the Tax Acts; and, further provided, that in no event shall the
11 payments required under the preceding proviso result in
12 aggregate payments into the Build Illinois Fund pursuant to
13 this clause (b) for any fiscal year in excess of the greater of

14 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
15 such fiscal year. The amounts payable into the Build Illinois
16 Fund under clause (b) of the first sentence in this paragraph
17 shall be payable only until such time as the aggregate amount
18 on deposit under each trust indenture securing Bonds issued
19 and outstanding pursuant to the Build Illinois Bond Act is
20 sufficient, taking into account any future investment income,
21 to fully provide, in accordance with such indenture, for the
22 defeasance of or the payment of the principal of, premium, if
23 any, and interest on the Bonds secured by such indenture and on
24 any Bonds expected to be issued thereafter and all fees and
25 costs payable with respect thereto, all as certified by the
26 Director of the Bureau of the Budget (now Governor's Office of

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

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1 in excess of 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.

7	Fiscal Year	Total 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
26	2011	146,000,000

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1	2012	153,000,000

2	2013	161,000,000
3	2014	170,000,000
4	2015	179,000,000
5	2016	189,000,000
6	2017	199,000,000
7	2018	210,000,000
8	2019	221,000,000
9	2020	233,000,000
10	2021	300,000,000
11	2022	300,000,000
12	2023	300,000,000
13	2024	300,000,000
14	2025	300,000,000
15	2026	300,000,000
16	2027	375,000,000
17	2028	375,000,000
18	2029	375,000,000
19	2030	375,000,000
20	2031	375,000,000
21	2032	375,000,000
22	2033	375,000,000
23	2034	375,000,000
24	2035	375,000,000
25	2036	450,000,000
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
20 Deposit", has been deposited.

21 Subject to payment of amounts into the Capital Projects
22 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
23 and the McCormick Place Expansion Project Fund pursuant to the
24 preceding paragraphs or in any amendments thereto hereafter
25 enacted, for aviation fuel sold on or after December 1, 2019,
26 the Department shall each month deposit into the Aviation Fuel

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1 Sales Tax Refund Fund an amount estimated by the Department to
2 be required for refunds of the 80% portion of the tax on
3 aviation fuel under this Act. The Department shall only
4 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
5 under this paragraph for so long as the revenue use
6 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
7 binding on the State.

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

16 Subject to payment of amounts into the Build Illinois
17 Fund, the McCormick Place Expansion Project Fund, and the
18 Illinois Tax Increment Fund pursuant to the preceding
19 paragraphs or in any amendments to this Section hereafter
20 enacted, beginning on the first day of the first calendar
21 month to occur on or after August 26, 2014 (the effective date

22 of Public Act 98-1098), each month, from the collections made
23 under Section 9 of the Use Tax Act, Section 9 of the Service
24 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
25 Section 3 of the Retailers' Occupation Tax Act, the Department
26 shall pay into the Tax Compliance and Administration Fund, to

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

9 Subject to payments of amounts into the Build Illinois
10 Fund, the McCormick Place Expansion Project Fund, the Illinois
11 Tax Increment Fund, the Energy Infrastructure Fund, and the
12 Tax Compliance and Administration Fund as provided in this
13 Section, beginning on July 1, 2018 the Department shall pay
14 each month into the Downstate Public Transportation Fund the
15 moneys required to be so paid under Section 2-3 of the
16 Downstate Public Transportation Act.

17 Subject to successful execution and delivery of a
18 public-private agreement between the public agency and private
19 entity and completion of the civic build, beginning on July 1,
20 2023, of the remainder of the moneys received by the
21 Department under the Use Tax Act, the Service Use Tax Act, the
22 Service Occupation Tax Act, and this Act, the Department shall
23 deposit the following specified deposits in the aggregate from
24 collections under the Use Tax Act, the Service Use Tax Act, the
25 Service Occupation Tax Act, and the Retailers' Occupation Tax
26 Act, as required under Section 8.25g of the State Finance Act

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1 for distribution consistent with the Public-Private

2 Partnership for Civic and Transit Infrastructure Project Act.
3 The moneys received by the Department pursuant to this Act and
4 required to be deposited into the Civic and Transit
5 Infrastructure Fund are subject to the pledge, claim and
6 charge set forth in Section 25-55 of the Public-Private
7 Partnership for Civic and Transit Infrastructure Project Act.
8 As used in this paragraph, "civic build", "private entity",
9 "public-private agreement", and "public agency" have the
10 meanings provided in Section 25-10 of the Public-Private
11 Partnership for Civic and Transit Infrastructure Project Act.

12	Fiscal Year.....	Total Deposit
13	2024.....	\$200,000,000
14	2025.....	\$206,000,000
15	2026.....	\$212,200,000
16	2027.....	\$218,500,000
17	2028.....	\$225,100,000
18	2029.....	\$288,700,000
19	2030.....	\$298,900,000
20	2031.....	\$309,300,000
21	2032.....	\$320,100,000
22	2033.....	\$331,200,000
23	2034.....	\$341,200,000
24	2035.....	\$351,400,000
25	2036.....	\$361,900,000
26	2037.....	\$372,800,000

1	2038.....	\$384,000,000
2	2039.....	\$395,500,000
3	2040.....	\$407,400,000
4	2041.....	\$419,600,000
5	2042.....	\$432,200,000
6	2043.....	\$445,100,000

7 Beginning July 1, 2021 and until July 1, 2022, subject to
8 the payment of amounts into the County and Mass Transit
9 District Fund, the Local Government Tax Fund, the Build
10 Illinois Fund, the McCormick Place Expansion Project Fund, the
11 Illinois Tax Increment Fund, and the Tax Compliance and
12 Administration Fund as provided in this Section, the
13 Department shall pay each month into the Road Fund the amount

14 estimated to represent 16% of the net revenue realized from
15 the taxes imposed on motor fuel and gasohol. Beginning July 1,
16 2022 and until July 1, 2023, subject to the payment of amounts
17 into the County and Mass Transit District Fund, the Local
18 Government Tax Fund, the Build Illinois Fund, the McCormick
19 Place Expansion Project Fund, the Illinois Tax Increment Fund,
20 and the Tax Compliance and Administration Fund as provided in
21 this Section, the Department shall pay each month into the
22 Road Fund the amount estimated to represent 32% of the net
23 revenue realized from the taxes imposed on motor fuel and
24 gasohol. Beginning July 1, 2023 and until July 1, 2024,
25 subject to the payment of amounts into the County and Mass
26 Transit District Fund, the Local Government Tax Fund, the

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1 Build Illinois Fund, the McCormick Place Expansion Project
2 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
3 and Administration Fund as provided in this Section, the
4 Department shall pay each month into the Road Fund the amount
5 estimated to represent 48% of the net revenue realized from
6 the taxes imposed on motor fuel and gasohol. Beginning July 1,
7 2024 and until July 1, 2026, subject to the payment of amounts
8 into the County and Mass Transit District Fund, the Local
9 Government Tax Fund, the Build Illinois Fund, the McCormick
10 Place Expansion Project Fund, the Illinois Tax Increment Fund,
11 and the Tax Compliance and Administration Fund as provided in
12 this Section, the Department shall pay each month into the
13 Road Fund the amount estimated to represent 64% of the net
14 revenue realized from the taxes imposed on motor fuel and
15 gasohol. Beginning on July 1, 2026, subject to the payment of
16 amounts into the County and Mass Transit District Fund, the
17 Local Government Tax Fund, the Build Illinois Fund, the
18 McCormick Place Expansion Project Fund, the Illinois Tax
19 Increment Fund, and the Tax Compliance and Administration Fund
20 as provided in this Section, the Department shall pay each
21 month into the Road Fund the amount estimated to represent 80%
22 of the net revenue realized from the taxes imposed on motor
23 fuel and gasohol. As used in this paragraph "motor fuel" has
24 the meaning given to that term in Section 1.1 of the Motor Fuel
25 Tax Law, and "gasohol" has the meaning given to that term in

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1 Until July 1, 2025, of the remainder of the moneys
2 received by the Department pursuant to this Act, 75% thereof
3 shall be paid into the State treasury and 25% shall be reserved
4 in a special account and used only for the transfer to the
5 Common School Fund as part of the monthly transfer from the
6 General Revenue Fund in accordance with Section 8a of the
7 State Finance Act. Beginning July 1, 2025, of the remainder of
8 the moneys received by the Department pursuant to this Act,
9 75% shall be deposited into the General Revenue Fund and 25%
10 shall be deposited into the Common School Fund.

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

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1 goods used from stock or taken from stock and given away by the
2 retailer during such year, payroll information of the
3 retailer's business during such year and any additional
4 reasonable information which the Department deems would be
5 helpful in determining the accuracy of the monthly, quarterly,

6 or annual returns filed by such retailer as provided for in
7 this Section.

8 If the annual information return required by this Section
9 is not filed when and as required, the taxpayer shall be liable
10 as follows:

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

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

21 The chief executive officer, proprietor, owner, or highest
22 ranking manager shall sign the annual return to certify the
23 accuracy of the information contained therein. Any person who
24 willfully signs the annual return containing false or
25 inaccurate information shall be guilty of perjury and punished
26 accordingly. The annual return form prescribed by the

1 Department shall include a warning that the person signing the
2 return may be liable for perjury.

3 The provisions of this Section concerning the filing of an
4 annual information return do not apply to a retailer who is not
5 required to file an income tax return with the United States
6 Government.

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

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

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

25 Any person who promotes, organizes, or provides retail
26 selling space for concessionaires or other types of sellers at

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

16 Any person engaged in the business of selling tangible
17 personal property at retail as a concessionaire or other type
18 of seller at the Illinois State Fair, county fairs, art shows,
19 flea markets, and similar exhibitions or events, or any
20 transient merchants, as defined by Section 2 of the Transient
21 Merchant Act of 1987, may be required to make a daily report of
22 the amount of such sales to the Department and to make a daily
23 payment of the full amount of tax due. The Department shall
24 impose this requirement when it finds that there is a
25 significant risk of loss of revenue to the State at such an
26 exhibition or event. Such a finding shall be based on evidence

1 that a substantial number of concessionaires or other sellers
2 who are not residents of Illinois will be engaging in the
3 business of selling tangible personal property at retail at
4 the exhibition or event, or other evidence of a significant
5 risk of loss of revenue to the State. The Department shall
6 notify concessionaires and other sellers affected by the
7 imposition of this requirement. In the absence of notification
8 by the Department, the concessionaires and other sellers shall
9 file their returns as otherwise required in this Section.

10 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
11 103-363, eff. 7-28-23; 103-592, Article 75, Section 75-20,
12 eff. 1-1-25; 103-592, Article 110, Section 110-20, eff.
13 6-7-24; 103-605, eff. 7-1-24; 103-1055, eff. 12-20-24; 104-6,
14 Article 5, Section 5-25, eff. 6-16-25; 104-6, Article 25,
15 Section 25-20, eff. 6-16-25; 104-6, Article 35, Section 35-35,
16 eff. 6-16-25; revised 1-12-26.)

17 (Text of Section after amendment by P.A. 104-457)

18 Sec. 3. Except as provided in this Section, on or before
19 the twentieth day of each calendar month, every person engaged
20 in the business of selling, which, on and after January 1,
21 2025, includes leasing, tangible personal property at retail
22 in this State during the preceding calendar month shall file a
23 return with the Department, stating:

- 24 1. The name of the seller;
- 25 2. His residence address and the address of his

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

5 3. Total amount of receipts received by him during the
6 preceding calendar month or quarter, as the case may be,

7 from sales of tangible personal property, and from
8 services furnished, by him during such preceding calendar
9 month or quarter;

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

15 5. Deductions allowed by law;

16 6. Gross receipts which were received by him during
17 the preceding calendar month or quarter and upon the basis
18 of which the tax is imposed, including gross receipts on
19 food for human consumption that is to be consumed off the
20 premises where it is sold (other than alcoholic beverages,
21 food consisting of or infused with adult use cannabis,
22 soft drinks, and food that has been prepared for immediate
23 consumption) which were received during the preceding
24 calendar month or quarter and upon which tax would have
25 been due but for the 0% rate imposed under Public Act
26 102-700;

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

3 8. The amount of tax due, including the amount of tax
4 that would have been due on food for human consumption
5 that is to be consumed off the premises where it is sold
6 (other than alcoholic beverages, food consisting of or
7 infused with adult use cannabis, soft drinks, and food
8 that has been prepared for immediate consumption) but for
9 the 0% rate imposed under Public Act 102-700;

10 9. The signature of the taxpayer; and

11 10. Such other reasonable information as the
12 Department may require.

13 In the case of leases, except as otherwise provided in
14 this Act, the lessor must remit for each tax return period only
15 the tax applicable to that part of the selling price actually
16 received during such tax return period.

17 On and after January 1, 2018, except for returns required
18 to be filed prior to January 1, 2023 for motor vehicles,

19 watercraft, aircraft, and trailers that are required to be
20 registered with an agency of this State, with respect to
21 retailers whose annual gross receipts average \$20,000 or more,
22 all returns required to be filed pursuant to this Act shall be
23 filed electronically. On and after January 1, 2023, with
24 respect to retailers whose annual gross receipts average
25 \$20,000 or more, all returns required to be filed pursuant to
26 this Act, including, but not limited to, returns for motor

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1 vehicles, watercraft, aircraft, and trailers that are required
2 to be registered with an agency of this State, shall be filed
3 electronically. Retailers who demonstrate that they do not
4 have access to the Internet or demonstrate hardship in filing
5 electronically may petition the Department to waive the
6 electronic filing requirement.

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

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

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

1 this Act after October 20, 2003 for reporting periods prior to
2 September 1, 2004 shall be disallowed. Manufacturer's Purchase
3 Credit reported on annual returns due on or after January 1,
4 2005 will be disallowed for periods prior to September 1,
5 2004. No Manufacturer's Purchase Credit may be used after
6 September 30, 2003 through August 31, 2004 to satisfy any tax
7 liability imposed under this Act, including any audit
8 liability.

9 Beginning on July 1, 2023 and through December 31, 2032, a
10 retailer may accept a Sustainable Aviation Fuel Purchase
11 Credit certification from an air common carrier-purchaser in
12 satisfaction of Use Tax on aviation fuel as provided in
13 Section 3-87 of the Use Tax Act if the purchaser provides the
14 appropriate documentation as required by Section 3-87 of the
15 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
16 certification accepted by a retailer in accordance with this
17 paragraph may be used by that retailer to satisfy Retailers'
18 Occupation Tax liability (but not in satisfaction of penalty
19 or interest) in the amount claimed in the certification, not
20 to exceed 6.25% of the receipts subject to tax from a sale of
21 aviation fuel. In addition, for a sale of aviation fuel to
22 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
23 retailers must retain in their books and records a
24 certification from the producer of the aviation fuel that the
25 aviation fuel sold by the retailer and for which a sustainable
26 aviation fuel purchase credit was earned meets the definition

1 of sustainable aviation fuel under Section 3-87 of the Use Tax
2 Act. The documentation must include detail sufficient for the
3 Department to determine the number of gallons of sustainable
4 aviation fuel sold.

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

11 the twentieth day of the following calendar month, stating:
12 1. The name of the seller;
13 2. The address of the principal place of business from
14 which he engages in the business of selling tangible
15 personal property at retail in this State;
16 3. The total amount of taxable receipts received by
17 him during the preceding calendar month from sales of
18 tangible personal property by him during such preceding
19 calendar month, including receipts from charge and time
20 sales, but less all deductions allowed by law;
21 4. The amount of credit provided in Section 2d of this
22 Act;
23 5. The amount of tax due; and
24 6. Such other reasonable information as the Department
25 may require.
26 Every person engaged in the business of selling aviation

1 fuel at retail in this State during the preceding calendar
2 month shall, instead of reporting and paying tax as otherwise
3 required by this Section, report and pay such tax on a separate
4 aviation fuel tax return. The requirements related to the
5 return shall be as otherwise provided in this Section.
6 Notwithstanding any other provisions of this Act to the
7 contrary, retailers selling aviation fuel shall file all
8 aviation fuel tax returns and shall make all aviation fuel tax
9 payments by electronic means in the manner and form required
10 by the Department. For purposes of this Section, "aviation
11 fuel" means jet fuel and aviation gasoline.

12 Beginning on October 1, 2003, any person who is not a
13 licensed distributor, importing distributor, or manufacturer,
14 as defined in the Liquor Control Act of 1934, but is engaged in
15 the business of selling, at retail, alcoholic liquor shall
16 file a statement with the Department of Revenue, in a format
17 and at a time prescribed by the Department, showing the total
18 amount paid for alcoholic liquor purchased during the
19 preceding month and such other information as is reasonably
20 required by the Department. The Department may adopt rules to
21 require that this statement be filed in an electronic or
22 telephonic format. Such rules may provide for exceptions from

23 the filing requirements of this paragraph. For the purposes of
24 this paragraph, the term "alcoholic liquor" shall have the
25 meaning prescribed in the Liquor Control Act of 1934.

26 Beginning on October 1, 2003, every distributor, importing

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1 distributor, and manufacturer of alcoholic liquor as defined
2 in the Liquor Control Act of 1934, shall file a statement with
3 the Department of Revenue, no later than the 10th day of the
4 month for the preceding month during which transactions
5 occurred, by electronic means, showing the total amount of
6 gross receipts from the sale of alcoholic liquor sold or
7 distributed during the preceding month to purchasers;
8 identifying the purchaser to whom it was sold or distributed;
9 the purchaser's tax registration number; and such other
10 information reasonably required by the Department. A
11 distributor, importing distributor, or manufacturer of
12 alcoholic liquor must personally deliver, mail, or provide by
13 electronic means to each retailer listed on the monthly
14 statement a report containing a cumulative total of that
15 distributor's, importing distributor's, or manufacturer's
16 total sales of alcoholic liquor to that retailer no later than
17 the 10th day of the month for the preceding month during which
18 the transaction occurred. The distributor, importing
19 distributor, or manufacturer shall notify the retailer as to
20 the method by which the distributor, importing distributor, or
21 manufacturer will provide the sales information. If the
22 retailer is unable to receive the sales information by
23 electronic means, the distributor, importing distributor, or
24 manufacturer shall furnish the sales information by personal
25 delivery or by mail. For purposes of this paragraph, the term
26 "electronic means" includes, but is not limited to, the use of

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1 a secure Internet website, e-mail, or facsimile.

2 If a total amount of less than \$1 is payable, refundable or

3 creditable, such amount shall be disregarded if it is less
4 than 50 cents and shall be increased to \$1 if it is 50 cents or
5 more.

6 Notwithstanding any other provision of this Act to the
7 contrary, retailers subject to tax on cannabis shall file all
8 cannabis tax returns and shall make all cannabis tax payments
9 by electronic means in the manner and form required by the
10 Department.

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

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

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

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

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

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

25 Any amount which is required to be shown or reported on any
26 return or other document under this Act shall, if such amount

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1 is not a whole-dollar amount, be increased to the nearest
2 whole-dollar amount in any case where the fractional part of a
3 dollar is 50 cents or more, and decreased to the nearest
4 whole-dollar amount where the fractional part of a dollar is
5 less than 50 cents.

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

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

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

26 Notwithstanding any other provision in this Act concerning

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

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

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

1 vehicle, or trailer to a purchaser for use as a qualifying
2 rolling stock as provided in Section 2-5 of this Act, then that
3 seller may report the transfer of all aircraft, watercraft,
4 motor vehicles, or trailers involved in that transaction to
5 the Department on the same uniform invoice-transaction
6 reporting return form. For purposes of this Section,

7 "watercraft" means a Class 2, Class 3, or Class 4 watercraft as
8 defined in Section 3-2 of the Boat Registration and Safety
9 Act, a personal watercraft, or any boat equipped with an
10 inboard motor.

11 In addition, with respect to motor vehicles, watercraft,
12 aircraft, and trailers that are required to be registered with
13 an agency of this State, every person who is engaged in the
14 business of leasing or renting such items and who, in
15 connection with such business, sells any such item to a
16 retailer for the purpose of resale is, notwithstanding any
17 other provision of this Section to the contrary, authorized to
18 meet the return-filing requirement of this Act by reporting
19 the transfer of all the aircraft, watercraft, motor vehicles,
20 or trailers transferred for resale during a month to the
21 Department on the same uniform invoice-transaction reporting
22 return form on or before the 20th of the month following the
23 month in which the transfer takes place. Notwithstanding any
24 other provision of this Act to the contrary, all returns filed
25 under this paragraph must be filed by electronic means in the
26 manner and form as required by the Department.

1 Any retailer who sells only motor vehicles, watercraft,
2 aircraft, or trailers that are required to be registered with
3 an agency of this State, so that all retailers' occupation tax
4 liability is required to be reported, and is reported, on such
5 transaction reporting returns and who is not otherwise
6 required to file monthly or quarterly returns, need not file
7 monthly or quarterly returns. However, those retailers shall
8 be required to file returns on an annual basis.

9 The transaction reporting return, in the case of motor
10 vehicles or trailers that are required to be registered with
11 an agency of this State, shall be the same document as the
12 Uniform Invoice referred to in Section 5-402 of the Illinois
13 Vehicle Code and must show the name and address of the seller;
14 the name and address of the purchaser; the amount of the
15 selling price including the amount allowed by the retailer for
16 traded-in property, if any; the amount allowed by the retailer
17 for the traded-in tangible personal property, if any, to the
18 extent to which Section 1 of this Act allows an exemption for

19 the value of traded-in property; the balance payable after
20 deducting such trade-in allowance from the total selling
21 price; the amount of tax due from the retailer with respect to
22 such transaction; the amount of tax collected from the
23 purchaser by the retailer on such transaction (or satisfactory
24 evidence that such tax is not due in that particular instance,
25 if that is claimed to be the fact); the place and date of the
26 sale; a sufficient identification of the property sold; such

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1 other information as is required in Section 5-402 of the
2 Illinois Vehicle Code, and such other information as the
3 Department may reasonably require.

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

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

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

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

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

1 mandate of this paragraph.

2 If the user who would otherwise pay tax to the retailer
3 wants the transaction reporting return filed and the payment
4 of the tax or proof of exemption made to the Department before
5 the retailer is willing to take these actions and such user has
6 not paid the tax to the retailer, such user may certify to the
7 fact of such delay by the retailer and may (upon the Department
8 being satisfied of the truth of such certification) transmit
9 the information required by the transaction reporting return
10 and the remittance for tax or proof of exemption directly to

11 the Department and obtain his tax receipt or exemption
12 determination, in which event the transaction reporting return
13 and tax remittance (if a tax payment was required) shall be
14 credited by the Department to the proper retailer's account
15 with the Department, but without the vendor's discount
16 provided for in this Section being allowed. When the user pays
17 the tax directly to the Department, he shall pay the tax in the
18 same amount and in the same form in which it would be remitted
19 if the tax had been remitted to the Department by the retailer.

20 On and after January 1, 2025, with respect to the lease of
21 trailers, other than semitrailers as defined in Section 1-187
22 of the Illinois Vehicle Code, that are required to be
23 registered with an agency of this State and that are subject to
24 the tax on lease receipts under this Act, notwithstanding any
25 other provision of this Act to the contrary, for the purpose of
26 reporting and paying tax under this Act on those lease

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1 receipts, lessors shall file returns in addition to and
2 separate from the transaction reporting return. Lessors shall
3 file those lease returns and make payment to the Department by
4 electronic means on or before the 20th day of each month
5 following the month, quarter, or year, as applicable, in which
6 lease receipts were received. All lease receipts received by
7 the lessor from the lease of those trailers during the same
8 reporting period shall be reported and tax shall be paid on a
9 single return form to be prescribed by the Department.

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

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

22 Where the seller is a limited liability company, the

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

26 Except as provided in this Section, the retailer filing

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1 the return under this Section shall, at the time of filing such
2 return, pay to the Department the amount of tax imposed by this
3 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
4 on and after January 1, 1990, or \$5 per calendar year,
5 whichever is greater, which is allowed to reimburse the
6 retailer for the expenses incurred in keeping records,
7 preparing and filing returns, remitting the tax and supplying
8 data to the Department on request. A certified service
9 provider, as defined in the Leveling the Playing Field for
10 Illinois Retail Act, filing the return under this Section on
11 behalf of a remote retailer or a retailer maintaining a place
12 of business in this State shall, at the time of such return,
13 pay to the Department the amount of tax imposed by this Act
14 less a discount of 1.75%. A remote retailer or a retailer
15 maintaining a place of business in this State using a
16 certified service provider to file a return on its behalf, as
17 provided in the Leveling the Playing Field for Illinois Retail
18 Act, is not eligible for the discount. Beginning with returns
19 due on or after January 1, 2025, the vendor's discount allowed
20 in this Section, the Service Occupation Tax Act, the Use Tax
21 Act, and the Service Use Tax Act, including any local tax
22 administered by the Department and reported on the same
23 return, shall not exceed \$1,000 per month in the aggregate for
24 returns other than transaction returns filed during the month.
25 When determining the discount allowed under this Section,
26 retailers shall include the amount of tax that would have been

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1 due at the 1% rate but for the 0% rate imposed under Public Act
2 102-700. When determining the discount allowed under this

3 Section, retailers shall include the amount of tax that would
4 have been due at the 6.25% rate but for the 1.25% rate imposed
5 on sales tax holiday items under Public Act 102-700 and under
6 this amendatory Act of the 104th General Assembly. The
7 discount under this Section is not allowed for the 1.25%
8 portion of taxes paid on aviation fuel that is subject to the
9 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
10 47133. Any prepayment made pursuant to Section 2d of this Act
11 shall be included in the amount on which such discount is
12 computed. In the case of retailers who report and pay the tax
13 on a transaction by transaction basis, as provided in this
14 Section, such discount shall be taken with each such tax
15 remittance instead of when such retailer files his periodic
16 return, but, beginning with returns due on or after January 1,
17 2025, the vendor's discount allowed under this Section and the
18 Use Tax Act, including any local tax administered by the
19 Department and reported on the same transaction return, shall
20 not exceed \$1,000 per month for all transaction returns filed
21 during the month. The discount allowed under this Section is
22 allowed only for returns that are filed in the manner required
23 by this Act. The Department may disallow the discount for
24 retailers whose certificate of registration is revoked at the
25 time the return is filed, but only if the Department's
26 decision to revoke the certificate of registration has become

1 final.

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

15 Use Tax Act, the Service Occupation Tax Act, and the Service
16 Use Tax Act, excluding any liability for prepaid sales tax to
17 be remitted in accordance with Section 2d of this Act, was
18 \$20,000 or more during the preceding 4 complete calendar
19 quarters, he shall file a return with the Department each
20 month by the 20th day of the month next following the month
21 during which such tax liability is incurred and shall make
22 payment to the Department on or before the 7th, 15th, 22nd and
23 last day of the month during which such liability is incurred.
24 If the month during which such tax liability is incurred began
25 prior to January 1, 1985, each payment shall be in an amount
26 equal to 1/4 of the taxpayer's actual liability for the month

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1 or an amount set by the Department not to exceed 1/4 of the
2 average monthly liability of the taxpayer to the Department
3 for the preceding 4 complete calendar quarters (excluding the
4 month of highest liability and the month of lowest liability
5 in such 4 quarter period). If the month during which such tax
6 liability is incurred begins on or after January 1, 1985 and
7 prior to January 1, 1987, each payment shall be in an amount
8 equal to 22.5% of the taxpayer's actual liability for the
9 month or 27.5% of the taxpayer's liability for the same
10 calendar month of the preceding year. If the month during
11 which such tax liability is incurred begins on or after
12 January 1, 1987 and prior to January 1, 1988, each payment
13 shall be in an amount equal to 22.5% of the taxpayer's actual
14 liability for the month or 26.25% of the taxpayer's liability
15 for the same calendar month of the preceding year. If the month
16 during which such tax liability is incurred begins on or after
17 January 1, 1988, and prior to January 1, 1989, or begins on or
18 after January 1, 1996, each payment shall be in an amount equal
19 to 22.5% of the taxpayer's actual liability for the month or
20 25% of the taxpayer's liability for the same calendar month of
21 the preceding year. If the month during which such tax
22 liability is incurred begins on or after January 1, 1989, and
23 prior to January 1, 1996, each payment shall be in an amount
24 equal to 22.5% of the taxpayer's actual liability for the
25 month or 25% of the taxpayer's liability for the same calendar
26 month of the preceding year or 100% of the taxpayer's actual

1 liability for the quarter monthly reporting period. The amount
2 of such quarter monthly payments shall be credited against the
3 final tax liability of the taxpayer's return for that month.
4 Before October 1, 2000, once applicable, the requirement of
5 the making of quarter monthly payments to the Department by
6 taxpayers having an average monthly tax liability of \$10,000
7 or more as determined in the manner provided above shall
8 continue until such taxpayer's average monthly liability to
9 the Department during the preceding 4 complete calendar
10 quarters (excluding the month of highest liability and the
11 month of lowest liability) is less than \$9,000, or until such
12 taxpayer's average monthly liability to the Department as
13 computed for each calendar quarter of the 4 preceding complete
14 calendar quarter period is less than \$10,000. However, if a
15 taxpayer can show the Department that a substantial change in
16 the taxpayer's business has occurred which causes the taxpayer
17 to anticipate that his average monthly tax liability for the
18 reasonably foreseeable future will fall below the \$10,000
19 threshold stated above, then such taxpayer may petition the
20 Department for a change in such taxpayer's reporting status.
21 On and after October 1, 2000, once applicable, the requirement
22 of the making of quarter monthly payments to the Department by
23 taxpayers having an average monthly tax liability of \$20,000
24 or more as determined in the manner provided above shall
25 continue until such taxpayer's average monthly liability to
26 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 \$19,000 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 \$20,000. 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 \$20,000
10 threshold stated above, then such taxpayer may petition the
11 Department for a change in such taxpayer's reporting status.
12 The Department shall change such taxpayer's reporting status
13 unless it finds that such change is seasonal in nature and not
14 likely to be long term. Quarter monthly payment status shall
15 be determined under this paragraph as if the rate reduction to
16 0% in Public Act 102-700 on food for human consumption that is
17 to be consumed off the premises where it is sold (other than
18 alcoholic beverages, food consisting of or infused with adult
19 use cannabis, soft drinks, and food that has been prepared for
20 immediate consumption) had not occurred. For quarter monthly
21 payments due under this paragraph on or after July 1, 2023 and
22 through June 30, 2024, "25% of the taxpayer's liability for
23 the same calendar month of the preceding year" shall be
24 determined as if the rate reduction to 0% in Public Act 102-700
25 had not occurred. Quarter monthly payment status shall be
26 determined under this paragraph as if the rate reduction to

1 1.25% in Public Act 102-700 and in this amendatory Act of the
2 104th General Assembly on sales tax holiday items had not
3 occurred. For quarter monthly payments due on or after July 1,
4 2023 and through June 30, 2024, and on or after July 1, 2027
5 and through June 30, 2028, "25% of the taxpayer's liability
6 for the same calendar month of the preceding year" shall be
7 determined as if the rate reduction to 1.25% in Public Act
8 102-700 and in this amendatory Act of the 104th General
9 Assembly on sales tax holiday items had not occurred. If any
10 such quarter monthly payment is not paid at the time or in the
11 amount required by this Section, then the taxpayer shall be
12 liable for penalties and interest on the difference between
13 the minimum amount due as a payment and the amount of such
14 quarter monthly payment actually and timely paid, except
15 insofar as the taxpayer has previously made payments for that
16 month to the Department in excess of the minimum payments
17 previously due as provided in this Section. The Department
18 shall make reasonable rules and regulations to govern the

19 quarter monthly payment amount and quarter monthly payment
20 dates for taxpayers who file on other than a calendar monthly
21 basis.

22 The provisions of this paragraph apply before October 1,
23 2001. Without regard to whether a taxpayer is required to make
24 quarter monthly payments as specified above, any taxpayer who
25 is required by Section 2d of this Act to collect and remit
26 prepaid taxes and has collected prepaid taxes which average in

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1 excess of \$25,000 per month during the preceding 2 complete
2 calendar quarters, shall file a return with the Department as
3 required by Section 2f and shall make payments to the
4 Department on or before the 7th, 15th, 22nd and last day of the
5 month during which such liability is incurred. If the month
6 during which such tax liability is incurred began prior to
7 September 1, 1985 (the effective date of Public Act 84-221),
8 each payment shall be in an amount not less than 22.5% of the
9 taxpayer's actual liability under Section 2d. If the month
10 during which such tax liability is incurred begins on or after
11 January 1, 1986, each payment shall be in an amount equal to
12 22.5% of the taxpayer's actual liability for the month or
13 27.5% of the taxpayer's liability for the same calendar month
14 of the preceding calendar year. If the month during which such
15 tax liability is incurred begins on or after January 1, 1987,
16 each payment shall be in an amount equal to 22.5% of the
17 taxpayer's actual liability for the month or 26.25% of the
18 taxpayer's liability for the same calendar month of the
19 preceding year. The amount of such quarter monthly payments
20 shall be credited against the final tax liability of the
21 taxpayer's return for that month filed under this Section or
22 Section 2f, as the case may be. Once applicable, the
23 requirement of the making of quarter monthly payments to the
24 Department pursuant to this paragraph shall continue until
25 such taxpayer's average monthly prepaid tax collections during
26 the preceding 2 complete calendar quarters is \$25,000 or less.

1 If any such quarter monthly payment is not paid at the time or
2 in the amount required, the taxpayer shall be liable for
3 penalties and interest on such difference, except insofar as
4 the taxpayer has previously made payments for that month in
5 excess of the minimum payments previously due.

6 The provisions of this paragraph apply on and after
7 October 1, 2001. Without regard to whether a taxpayer is
8 required to make quarter monthly payments as specified above,
9 any taxpayer who is required by Section 2d of this Act to
10 collect and remit prepaid taxes and has collected prepaid
11 taxes that average in excess of \$20,000 per month during the
12 preceding 4 complete calendar quarters shall file a return
13 with the Department as required by Section 2f and shall make
14 payments to the Department on or before the 7th, 15th, 22nd,
15 and last day of the month during which the liability is
16 incurred. Each payment shall be in an amount equal to 22.5% of
17 the taxpayer's actual liability for the month or 25% of the
18 taxpayer's liability for the same calendar month of the
19 preceding year. The amount of the quarter monthly payments
20 shall be credited against the final tax liability of the
21 taxpayer's return for that month filed under this Section or
22 Section 2f, as the case may be. Once applicable, the
23 requirement of the making of quarter monthly payments to the
24 Department pursuant to this paragraph shall continue until the
25 taxpayer's average monthly prepaid tax collections during the
26 preceding 4 complete calendar quarters (excluding the month of

1 highest liability and the month of lowest liability) is less
2 than \$19,000 or until such taxpayer's average monthly
3 liability to the Department as computed for each calendar
4 quarter of the 4 preceding complete calendar quarters is less
5 than \$20,000. If any such quarter monthly payment is not paid
6 at the time or in the amount required, the taxpayer shall be
7 liable for penalties and interest on such difference, except
8 insofar as the taxpayer has previously made payments for that
9 month in excess of the minimum payments previously due.

10 If any payment provided for in this Section exceeds the

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

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1 taken was not actually due to the taxpayer, the taxpayer's
2 vendor's discount shall be reduced, if necessary, to reflect
3 the difference between the credit taken and that actually due,
4 and that taxpayer shall be liable for penalties and interest
5 on such difference.

6 If a retailer of motor fuel is entitled to a credit under
7 Section 2d of this Act which exceeds the taxpayer's liability
8 to the Department under this Act for the month for which the
9 taxpayer is filing a return, the Department shall issue the
10 taxpayer a credit memorandum for the excess.

11 The net revenue realized at the 15% rate under either
12 Section 4 or Section 5 of this Act shall be deposited as
13 follows: (i) notwithstanding the provisions of this Section to
14 the contrary, the net revenue realized from the portion of the
15 rate in excess of 5% shall be deposited into the State and
16 Local Sales Tax Reform Fund; and (ii) the net revenue realized
17 from the 5% portion of the rate shall be deposited as provided
18 in this Section for the 5% portion of the 6.25% general rate
19 imposed under this Act.

20 Beginning January 1, 1990, each month the Department shall
21 pay into the Local Government Tax Fund, a special fund in the
22 State treasury which is hereby created, the net revenue

23 realized for the preceding month from the 1% tax imposed under
24 this Act.

25 Beginning January 1, 1990, each month the Department shall
26 pay into the County and Mass Transit District Fund, a special

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1 fund in the State treasury which is hereby created, 4% of the
2 net revenue realized for the preceding month from the 6.25%
3 general rate other than aviation fuel sold on or after
4 December 1, 2019. This exception for aviation fuel only
5 applies for so long as the revenue use requirements of 49
6 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

7 Beginning August 1, 2000, each month the Department shall
8 pay into the County and Mass Transit District Fund 20% of the
9 net revenue realized for the preceding month from the 1.25%
10 rate on the selling price of motor fuel and gasohol. If, in any
11 month, the tax on sales tax holiday items, as defined in
12 Section 2-8, is imposed at the rate of 1.25%, then the
13 Department shall pay 20% of the net revenue realized for that
14 month from the 1.25% rate on the selling price of sales tax
15 holiday items into the County and Mass Transit District Fund.

16 Beginning January 1, 1990, each month the Department shall
17 pay into the Local Government Tax Fund 16% of the net revenue
18 realized for the preceding month from the 6.25% general rate
19 on the selling price of tangible personal property other than
20 aviation fuel sold on or after December 1, 2019. This
21 exception for aviation fuel only applies for so long as the
22 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
23 47133 are binding on the State.

24 For aviation fuel sold on or after December 1, 2019, each
25 month the Department shall pay into the State Aviation Program
26 Fund 20% of the net revenue realized for the preceding month

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1 from the 6.25% general rate on the selling price of aviation
2 fuel, less an amount estimated by the Department to be

3 required for refunds of the 20% portion of the tax on aviation
4 fuel under this Act, which amount shall be deposited into the
5 Aviation Fuel Sales Tax Refund Fund. The Department shall only
6 pay moneys into the State Aviation Program Fund and the
7 Aviation Fuel Sales Tax Refund Fund under this Act for so long
8 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
9 U.S.C. 47133 are binding on the State.

10 Beginning August 1, 2000, each month the Department shall
11 pay into the Local Government Tax Fund 80% of the net revenue
12 realized for the preceding month from the 1.25% rate on the
13 selling price of motor fuel and gasohol. If, in any month, the
14 tax on sales tax holiday items, as defined in Section 2-8, is
15 imposed at the rate of 1.25%, then the Department shall pay 80%
16 of the net revenue realized for that month from the 1.25% rate
17 on the selling price of sales tax holiday items into the Local
18 Government Tax Fund.

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

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

9 Beginning July 1, 2013, each month the Department shall
10 pay into the Underground Storage Tank Fund from the proceeds
11 collected under this Act, the Use Tax Act, the Service Use Tax
12 Act, and the Service Occupation Tax Act an amount equal to the
13 average monthly deficit in the Underground Storage Tank Fund
14 during the prior year, as certified annually by the Illinois

15 Environmental Protection Agency, but the total payment into
16 the Underground Storage Tank Fund under this Act, the Use Tax
17 Act, the Service Use Tax Act, and the Service Occupation Tax
18 Act shall not exceed \$18,000,000 in any State fiscal year. As
19 used in this paragraph, the "average monthly deficit" shall be
20 equal to the difference between the average monthly claims for
21 payment by the fund and the average monthly revenues deposited
22 into the fund, excluding payments made pursuant to this
23 paragraph.

24 Beginning July 1, 2015, of the remainder of the moneys
25 received by the Department under the Use Tax Act, the Service
26 Use Tax Act, the Service Occupation Tax Act, and this Act, each

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1 month the Department shall deposit \$500,000 into the State
2 Crime Laboratory Fund.

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

23	Fiscal Year	Annual Specified Amount
24	1986	\$54,800,000
25	1987	\$76,650,000

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1	1989	\$88,510,000
2	1990	\$115,330,000
3	1991	\$145,470,000
4	1992	\$182,730,000
5	1993	\$206,520,000;

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

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1 and outstanding pursuant to the Build Illinois Bond Act is
2 sufficient, taking into account any future investment income,
3 to fully provide, in accordance with such indenture, for the
4 defeasance of or the payment of the principal of, premium, if

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

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1 and charge set forth in Section 12 of the Build Illinois Bond
2 Act.

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

15	Fiscal Year	Total Deposit
16	1993	\$0

17	1994	53,000,000
18	1995	58,000,000
19	1996	61,000,000
20	1997	64,000,000
21	1998	68,000,000
22	1999	71,000,000
23	2000	75,000,000
24	2001	80,000,000
25	2002	93,000,000
26	2003	99,000,000

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1	2004	103,000,000
2	2005	108,000,000
3	2006	113,000,000
4	2007	119,000,000
5	2008	126,000,000
6	2009	132,000,000
7	2010	139,000,000
8	2011	146,000,000
9	2012	153,000,000
10	2013	161,000,000
11	2014	170,000,000
12	2015	179,000,000
13	2016	189,000,000
14	2017	199,000,000
15	2018	210,000,000
16	2019	221,000,000
17	2020	233,000,000
18	2021	300,000,000
19	2022	300,000,000
20	2023	300,000,000
21	2024	300,000,000
22	2025	300,000,000
23	2026	300,000,000
24	2027	375,000,000

25	2028	375,000,000
26	2029	375,000,000

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1	2030	375,000,000
2	2031	375,000,000
3	2032	375,000,000
4	2033	375,000,000
5	2034	375,000,000
6	2035	375,000,000
7	2036	450,000,000

8 and
 9 each fiscal year
 10 thereafter that bonds
 11 are outstanding under
 12 Section 13.2 of the
 13 Metropolitan Pier and
 14 Exposition Authority Act,
 15 but not after fiscal year 2060.

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

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1 not in excess of the amount specified above as "Total

2 Deposit", has been deposited.

3 Subject to payment of amounts into the Capital Projects
4 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
5 and the McCormick Place Expansion Project Fund pursuant to the
6 preceding paragraphs or in any amendments thereto hereafter
7 enacted, for aviation fuel sold on or after December 1, 2019,
8 the Department shall each month deposit into the Aviation Fuel
9 Sales Tax Refund Fund an amount estimated by the Department to
10 be required for refunds of the 80% portion of the tax on
11 aviation fuel under this Act. The Department shall only
12 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
13 under this paragraph for so long as the revenue use
14 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
15 binding on the State.

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

24 Subject to payment of amounts into the Build Illinois
25 Fund, the McCormick Place Expansion Project Fund, and the
26 Illinois Tax Increment Fund pursuant to the preceding

1 paragraphs or in any amendments to this Section hereafter
2 enacted, beginning on the first day of the first calendar
3 month to occur on or after August 26, 2014 (the effective date
4 of Public Act 98-1098), each month, from the collections made
5 under Section 9 of the Use Tax Act, Section 9 of the Service
6 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
7 Section 3 of the Retailers' Occupation Tax Act, the Department
8 shall pay into the Tax Compliance and Administration Fund, to
9 be used, subject to appropriation, to fund additional auditors
10 and compliance personnel at the Department of Revenue, an
11 amount equal to 1/12 of 5% of 80% of the cash receipts
12 collected during the preceding fiscal year by the Audit Bureau
13 of the Department under the Use Tax Act, the Service Use Tax

14 Act, the Service Occupation Tax Act, the Retailers' Occupation
15 Tax Act, and associated local occupation and use taxes
16 administered by the Department.

17 Subject to payments of amounts into the Build Illinois
18 Fund, the McCormick Place Expansion Project Fund, the Illinois
19 Tax Increment Fund, the Energy Infrastructure Fund, and the
20 Tax Compliance and Administration Fund as provided in this
21 Section, beginning on July 1, 2018 the Department shall pay
22 each month into the Downstate Public Transportation Fund the
23 moneys required to be so paid under Section 2-3 of the
24 Downstate Public Transportation Act.

25 Subject to successful execution and delivery of a
26 public-private agreement between the public agency and private

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1 entity and completion of the civic build, beginning on July 1,
2 2023, of the remainder of the moneys received by the
3 Department under the Use Tax Act, the Service Use Tax Act, the
4 Service Occupation Tax Act, and this Act, the Department shall
5 deposit the following specified deposits in the aggregate from
6 collections under the Use Tax Act, the Service Use Tax Act, the
7 Service Occupation Tax Act, and the Retailers' Occupation Tax
8 Act, as required under Section 8.25g of the State Finance Act
9 for distribution consistent with the Public-Private
10 Partnership for Civic and Transit Infrastructure Project Act.
11 The moneys received by the Department pursuant to this Act and
12 required to be deposited into the Civic and Transit
13 Infrastructure Fund are subject to the pledge, claim and
14 charge set forth in Section 25-55 of the Public-Private
15 Partnership for Civic and Transit Infrastructure Project Act.
16 As used in this paragraph, "civic build", "private entity",
17 "public-private agreement", and "public agency" have the
18 meanings provided in Section 25-10 of the Public-Private
19 Partnership for Civic and Transit Infrastructure Project Act.

20	Fiscal Year.....	Total Deposit
21	2024.....	\$200,000,000
22	2025.....	\$206,000,000
23	2026.....	\$212,200,000
24	2027.....	\$218,500,000
25	2028.....	\$225,100,000

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1 2030.....\$298,900,000
 2 2031.....\$309,300,000
 3 2032.....\$320,100,000
 4 2033.....\$331,200,000
 5 2034.....\$341,200,000
 6 2035.....\$351,400,000
 7 2036.....\$361,900,000
 8 2037.....\$372,800,000
 9 2038.....\$384,000,000
 10 2039.....\$395,500,000
 11 2040.....\$407,400,000
 12 2041.....\$419,600,000
 13 2042.....\$432,200,000
 14 2043.....\$445,100,000

15 Beginning July 1, 2021 and until July 1, 2022, subject to
 16 the payment of amounts into the County and Mass Transit
 17 District Fund, the Local Government Tax Fund, the Build
 18 Illinois Fund, the McCormick Place Expansion Project Fund, the
 19 Illinois Tax Increment Fund, and the Tax Compliance and
 20 Administration Fund as provided in this Section, the
 21 Department shall pay each month into the Road Fund the amount
 22 estimated to represent 16% of the net revenue realized from
 23 the taxes imposed on motor fuel and gasohol. Beginning July 1,
 24 2022 and until July 1, 2023, subject to the payment of amounts
 25 into the County and Mass Transit District Fund, the Local
 26 Government Tax Fund, the Build Illinois Fund, the McCormick

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1 Place Expansion Project Fund, the Illinois Tax Increment Fund,
 2 and the Tax Compliance and Administration Fund as provided in
 3 this Section, the Department shall pay each month into the
 4 Road Fund the amount estimated to represent 32% of the net
 5 revenue realized from the taxes imposed on motor fuel and

6 gasohol. Beginning July 1, 2023 and until July 1, 2024,
7 subject to the payment of amounts into the County and Mass
8 Transit District Fund, the Local Government Tax Fund, the
9 Build Illinois Fund, the McCormick Place Expansion Project
10 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
11 and Administration Fund as provided in this Section, the
12 Department shall pay each month into the Road Fund the amount
13 estimated to represent 48% of the net revenue realized from
14 the taxes imposed on motor fuel and gasohol. Beginning July 1,
15 2024 and until July 1, 2026, subject to the payment of amounts
16 into the County and Mass Transit District Fund, the Local
17 Government Tax Fund, the Build Illinois Fund, the McCormick
18 Place Expansion Project Fund, the Illinois Tax Increment Fund,
19 and the Tax Compliance and Administration Fund as provided in
20 this Section, the Department shall pay each month into the
21 Road Fund the amount estimated to represent 64% of the net
22 revenue realized from the taxes imposed on motor fuel and
23 gasohol. Beginning on July 1, 2026, subject to the payment of
24 amounts into the County and Mass Transit District Fund, the
25 Local Government Tax Fund, the Build Illinois Fund, the
26 McCormick Place Expansion Project Fund, the Illinois Tax

1 Increment Fund, and the Tax Compliance and Administration Fund
2 as provided in this Section, the Department shall pay each
3 month into the Public Transportation Fund and the Downstate
4 Public Transportation Fund the amount estimated to represent
5 80% of the net revenue realized from the taxes imposed on motor
6 fuel and gasohol. Moneys shall be apportioned as follows: 85%
7 into the Public Transportation Fund and 15% into the Downstate
8 Public Transportation Fund. As used in this paragraph "motor
9 fuel" has the meaning given to that term in Section 1.1 of the
10 Motor Fuel Tax Law, and "gasohol" has the meaning given to that
11 term in Section 3-40 of the Use Tax Act.

12 Until July 1, 2025, of the remainder of the moneys
13 received by the Department pursuant to this Act, 75% thereof
14 shall be paid into the State treasury and 25% shall be reserved
15 in a special account and used only for the transfer to the
16 Common School Fund as part of the monthly transfer from the
17 General Revenue Fund in accordance with Section 8a of the

18 State Finance Act. Beginning July 1, 2025, of the remainder of
19 the moneys received by the Department pursuant to this Act,
20 75% shall be deposited into the General Revenue Fund and 25%
21 shall be deposited into the Common School Fund.

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

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

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

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

1 penalty to be assessed and collected in the same manner as
2 any other penalty provided for in this Act.

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

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

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

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

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

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

3 For greater simplicity of administration, manufacturers,
4 importers and wholesalers whose products are sold at retail in
5 Illinois by numerous retailers, and who wish to do so, may
6 assume the responsibility for accounting and paying to the

7 Department all tax accruing under this Act with respect to
8 such sales, if the retailers who are affected do not make
9 written objection to the Department to this arrangement.

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

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

19 by the Department, the concessionaires and other sellers shall
20 file their returns as otherwise required in this Section.
21 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
22 103-363, eff. 7-28-23; 103-592, Article 75, Section 75-20,
23 eff. 1-1-25; 103-592, Article 110, Section 110-20, eff.
24 6-7-24; 103-605, eff. 7-1-24; 103-1055, eff. 12-20-24; 104-6,
25 Article 5, Section 5-25, eff. 6-16-25; 104-6, Article 25,
26 Section 25-20, eff. 6-16-25; 104-6, Article 35, Section 35-35,

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1 eff. 6-16-25; 104-457, eff. 6-1-26.)

2 ARTICLE 130

3 Section 130-5. The Sports Wagering Act is amended by
4 changing Sections 25-10 and 25-90 as follows:

5 (230 ILCS 45/25-10)

6 Sec. 25-10. Definitions. As used in this Act:

7 "Adjusted gross sports wagering receipts" means a master
8 sports wagering licensee's gross sports wagering receipts,
9 less winnings paid to wagerers in such games.

10 "Athlete" means any current or former professional athlete
11 or collegiate athlete.

12 "Board" means the Illinois Gaming Board.

13 "Covered persons" includes athletes; umpires, referees,
14 and officials; personnel associated with clubs, teams,
15 leagues, and athletic associations; medical professionals
16 (including athletic trainers) who provide services to athletes
17 and players; and the family members and associates of these
18 persons where required to serve the purposes of this Act.

19 "Exchange wager" includes an agreement, contract,
20 transaction, or swap that is offered, traded, or executed on a
21 prediction market or exchange tied to a sporting contest or
22 sporting event.

23 "Department" means the Department of the Lottery.

1 "Gaming facility" means a facility at which gambling
2 operations are conducted under the Illinois Gambling Act,
3 pari-mutuel wagering is conducted under the Illinois Horse
4 Racing Act of 1975, or sports wagering is conducted under this
5 Act.

6 "Official league data" means statistics, results,
7 outcomes, and other data related to a sports event obtained
8 pursuant to an agreement with the relevant sports governing
9 body, or an entity expressly authorized by the sports
10 governing body to provide such information to licensees, that
11 authorizes the use of such data for determining the outcome of
12 tier 2 sports wagers on such sports events.

13 "Organization licensee" has the meaning given to that term
14 in the Illinois Horse Racing Act of 1975.

15 "Owners licensee" means the holder of an owners license
16 under the Illinois Gambling Act.

17 "Person" means an individual, partnership, committee,
18 association, corporation, or any other organization or group
19 of persons.

20 "Personal biometric data" means an athlete's information
21 derived from DNA, heart rate, blood pressure, perspiration
22 rate, internal or external body temperature, hormone levels,
23 glucose levels, hydration levels, vitamin levels, bone
24 density, muscle density, and sleep patterns.

25 "Prohibited conduct" includes any statement, action, and
26 other communication intended to influence, manipulate, or

1 control a betting outcome of a sporting contest or of any
2 individual occurrence or performance in a sporting contest in
3 exchange for financial gain or to avoid financial or physical
4 harm. "Prohibited conduct" includes statements, actions, and
5 communications made to a covered person by a third party, such
6 as a family member or through social media. "Prohibited
7 conduct" does not include statements, actions, or
8 communications made or sanctioned by a team or sports
9 governing body.

10 "Qualified applicant" means an applicant for a license

11 under this Act whose application meets the mandatory minimum
12 qualification criteria as required by the Board.

13 "Sporting contest" means a sports event or game on which
14 the State allows sports wagering to occur under this Act.

15 "Sports event" means a professional sport or athletic
16 event, a collegiate sport or athletic event, a motor race
17 event, or any other event or competition of relative skill
18 authorized by the Board under this Act.

19 "Sports facility" means a facility that hosts sports
20 events and holds a seating capacity greater than 17,000
21 persons, except in a municipality with a population of more
22 than 1,000,000, a seating capacity greater than 10,000
23 persons.

24 "Sports governing body" means the organization that
25 prescribes final rules and enforces codes of conduct with
26 respect to a sports event and participants therein.

1 "Sports wagering" means accepting wagers on sports events
2 or portions of sports events, or on the individual performance
3 statistics of athletes in a sports event or combination of
4 sports events, by any system or method of wagering, including,
5 but not limited to, in person or over the Internet through
6 websites and on mobile devices. "Sports wagering" includes,
7 but is not limited to, single-game bets, teaser bets, parlays,
8 over-under, moneyline, pools, exchange wagering, in-game
9 wagering, in-play bets, proposition bets, and straight bets.

10 "Sports wagering account" means a financial record
11 established by a master sports wagering licensee for an
12 individual patron in which the patron may deposit and withdraw
13 funds for sports wagering and other authorized purchases and
14 to which the master sports wagering licensee may credit
15 winnings or other amounts due to that patron or authorized by
16 that patron.

17 "Tier 1 sports wager" means a sports wager that is
18 determined solely by the final score or final outcome of the
19 sports event and is placed before the sports event has begun.

20 "Tier 2 sports wager" means a sports wager that is not a
21 tier 1 sports wager.

22 "Wager" means a sum of money or thing of value risked on an

23 uncertain occurrence.

24 "Winning bidder" means a qualified applicant for a master
25 sports wagering license chosen through the competitive
26 selection process under Section 25-45.

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1 (Source: P.A. 101-31, eff. 6-28-19; 102-689, eff. 12-17-21.)

2 (230 ILCS 45/25-90)

3 Sec. 25-90. Tax; Sports Wagering Fund.

4 (a) For the privilege of holding a license to operate
5 sports wagering under this Act until June 30, 2024, this State
6 shall impose and collect 15% of a master sports wagering
7 licensee's adjusted gross sports wagering receipts from sports
8 wagering. The accrual method of accounting shall be used for
9 purposes of calculating the amount of the tax owed by the
10 licensee.

11 The taxes levied and collected pursuant to this subsection
12 (a) are due and payable to the Board no later than the last day
13 of the month following the calendar month in which the
14 adjusted gross sports wagering receipts were received and the
15 tax obligation was accrued.

16 (a-5) In addition to the tax imposed under subsection (a),
17 (d), (d-5), or (d-7) of this Section, for the privilege of
18 holding a license to operate sports wagering under this Act,
19 the State shall impose and collect 2% of the adjusted gross
20 receipts from sports wagers that are placed within a home rule
21 county with a population of over 3,000,000 inhabitants, which
22 shall be paid, subject to appropriation from the General
23 Assembly, from the Sports Wagering Fund to that home rule
24 county for the purpose of enhancing the county's criminal
25 justice system.

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1 (b) The Sports Wagering Fund is hereby created as a
2 special fund in the State treasury. Except as otherwise

3 provided in this Act, all moneys collected under this Act by
4 the Board shall be deposited into the Sports Wagering Fund.
5 Through August 25, 2024, on the 25th of each month, any moneys
6 remaining in the Sports Wagering Fund in excess of the
7 anticipated monthly expenditures from the Fund through the
8 next month, as certified by the Board to the State
9 Comptroller, shall be transferred by the State Comptroller and
10 the State Treasurer to the Capital Projects Fund. Beginning
11 September 25, 2024, on the 25th of each month, of the moneys
12 remaining in the Sports Wagering Fund in excess of the
13 anticipated monthly expenditures from the Fund through the
14 next month, as certified by the Board to the State
15 Comptroller, the State Comptroller shall direct and the State
16 Treasurer shall transfer 58% to the General Revenue Fund and
17 42% to the Capital Projects Fund.

18 (c) Beginning with July 2021, and on a monthly basis
19 thereafter, the Board shall certify to the State Comptroller
20 the amount of license fees collected in the month for initial
21 licenses issued under this Act, except for occupational
22 licenses. As soon after certification as practicable, the
23 State Comptroller shall direct and the State Treasurer shall
24 transfer the certified amount from the Sports Wagering Fund to
25 the Rebuild Illinois Projects Fund.

26 (d) Beginning on July 1, 2024, and for each 12-month

1 period thereafter, for the privilege of holding a license to
2 operate sports wagering under this Act, this State shall
3 impose a privilege tax on the master sports licensee's
4 adjusted gross sports wagering receipts from sports wagering
5 over the Internet or through a mobile application based on the
6 following rates:

7 20% of annual adjusted gross sports wagering receipts
8 up to and including \$30,000,000.

9 25% of annual adjusted gross sports wagering receipts
10 in excess of \$30,000,000 but not exceeding \$50,000,000.

11 30% of annual adjusted gross sports wagering receipts
12 in excess of \$50,000,000 but not exceeding \$100,000,000.

13 35% of annual adjusted gross sports wagering receipts
14 in excess of \$100,000,000 but not exceeding \$200,000,000.

15 40% of annual adjusted gross sports wagering receipts
16 in excess of \$200,000,000.

17 (d-5) Beginning on July 1, 2024, and for each 12-month
18 period thereafter, for the privilege of holding a license to
19 operate sports wagering under this Act, this State shall
20 impose a privilege tax on the master sports licensee's
21 adjusted gross sports wagering receipts from sports wagering
22 from other than over the Internet or through a mobile
23 application based on the following rates:

24 20% of annual adjusted gross sports wagering receipts
25 up to and including \$30,000,000.

26 25% of annual adjusted gross sports wagering receipts

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1 in excess of \$30,000,000 but not exceeding \$50,000,000.

2 30% of annual adjusted gross sports wagering receipts
3 in excess of \$50,000,000 but not exceeding \$100,000,000.

4 35% of annual adjusted gross sports wagering receipts
5 in excess of \$100,000,000 but not exceeding \$200,000,000.

6 40% of annual adjusted gross sports wagering receipts
7 in excess of \$200,000,000.

8 (d-7) Beginning on July 1, 2025, and each month
9 thereafter, for the privilege of holding a license to operate
10 sports wagering under this Act, this State shall impose a
11 wager tax on each master sports licensee for each individual
12 wager placed with the master sports licensee for sports
13 wagering over the Internet or through a mobile application.
14 The tax shall be based on the following schedule and shall be
15 in addition to any other taxes or fees imposed under this Act:

16 The tax shall be \$0.25 per wager for the first 20,000,000
17 annual combined Tier 1 and Tier 2 wagers.

18 The tax shall be \$0.50 per wager for each wager in excess
19 of 20,000,000 annual combined Tier 1 and Tier 2 wagers.

20 The tax levied under this subsection shall be deposited
21 monthly into the Sports Wagering Fund. The Board shall certify
22 all amounts deposited into the Sports Wagering Fund under this
23 subsection to the State Comptroller. The State Comptroller
24 shall direct and the State Treasurer shall transfer that
25 certified amount from the Sports Wagering Fund to the General
26 Revenue Fund.

1 As used in this subsection, "annual combined Tier 1 and
2 Tier 2 wagers" means the total number of individual wagers
3 placed with the licensee, regardless of outcome or payout in a
4 given fiscal year.

5 (d-10) The accrual method of accounting shall be used for
6 purposes of calculating the amount of the tax owed by the
7 licensee.

8 (d-15) The taxes levied and collected pursuant to
9 subsections (d) (d-5), and (d-7) are due and payable to the
10 Board no later than the last day of the month following the
11 calendar month in which the adjusted gross sports wagering
12 receipts were received and the tax obligation was accrued.

13 (d-20) In addition to all other taxes and payments owed
14 under this Act, any wagers offered under this Act shall be
15 subject to incur a transaction tax equal to the 1.75% of each
16 exchange wager. After the first five million exchange wagers
17 conducted by a licensee during a fiscal year, the transaction
18 tax imposed under this subsection shall increase to 3.5% of
19 each exchange wager.

20 The tax levied under this subsection shall be deposited
21 monthly into the Sports Wagering Fund. The Board shall certify
22 all amounts deposited into the Sports Wagering Fund under this
23 subsection to the State Comptroller. The State Comptroller
24 shall direct and the State Treasurer shall transfer that
25 certified amount from the Sports Wagering Fund to the General
26 Revenue Fund.

1 (e) Annually, a master sports wagering licensee shall
2 transmit to the Board an audit of the financial transactions
3 and condition of the licensee's total operations.
4 Additionally, within 90 days after the end of each quarter of
5 each fiscal year, the master sports wagering licensee shall
6 transmit to the Board a compliance report on engagement

7 procedures determined by the Board. All audits and compliance
8 engagements shall be conducted by certified public accountants
9 selected by the Board. Each certified public accountant must
10 be registered in the State of Illinois under the Illinois
11 Public Accounting Act. The compensation for each certified
12 public accountant shall be paid directly by the master sports
13 wagering licensee to the certified public accountant.

14 (Source: P.A. 103-592, eff. 6-7-24; 104-6, eff. 6-16-25.)

ARTICLE 135

15
16 Section 135-5. The Illinois Income Tax Act is amended by
17 changing Section 201 as follows:

18 (35 ILCS 5/201)

19 Sec. 201. Tax imposed.

20 (a) In general. A tax measured by net income is hereby
21 imposed on every individual, corporation, trust and estate for
22 each taxable year ending after July 31, 1969 on the privilege
23 of earning or receiving income in or as a resident of this

1 State. Such tax shall be in addition to all other occupation or
2 privilege taxes imposed by this State or by any municipal
3 corporation or political subdivision thereof.

4 (b) Rates. The tax imposed by subsection (a) of this
5 Section shall be determined as follows, except as adjusted by
6 subsection (d-1):

7 (1) In the case of an individual, trust or estate, for
8 taxable years ending prior to July 1, 1989, an amount
9 equal to 2 1/2% of the taxpayer's net income for the
10 taxable year.

11 (2) In the case of an individual, trust or estate, for
12 taxable years beginning prior to July 1, 1989 and ending
13 after June 30, 1989, an amount equal to the sum of (i) 2
14 1/2% of the taxpayer's net income for the period prior to
15 July 1, 1989, as calculated under Section 202.3, and (ii)
16 3% of the taxpayer's net income for the period after June
17 30, 1989, as calculated under Section 202.3.

18 (3) In the case of an individual, trust or estate, for

19 taxable years beginning after June 30, 1989, and ending
20 prior to January 1, 2011, an amount equal to 3% of the
21 taxpayer's net income for the taxable year.

22 (4) In the case of an individual, trust, or estate,
23 for taxable years beginning prior to January 1, 2011, and
24 ending after December 31, 2010, an amount equal to the sum
25 of (i) 3% of the taxpayer's net income for the period prior
26 to January 1, 2011, as calculated under Section 202.5, and

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1 (ii) 5% of the taxpayer's net income for the period after
2 December 31, 2010, as calculated under Section 202.5.

3 (5) In the case of an individual, trust, or estate,
4 for taxable years beginning on or after January 1, 2011,
5 and ending prior to January 1, 2015, an amount equal to 5%
6 of the taxpayer's net income for the taxable year.

7 (5.1) In the case of an individual, trust, or estate,
8 for taxable years beginning prior to January 1, 2015, and
9 ending after December 31, 2014, an amount equal to the sum
10 of (i) 5% of the taxpayer's net income for the period prior
11 to January 1, 2015, as calculated under Section 202.5, and
12 (ii) 3.75% of the taxpayer's net income for the period
13 after December 31, 2014, as calculated under Section
14 202.5.

15 (5.2) In the case of an individual, trust, or estate,
16 for taxable years beginning on or after January 1, 2015,
17 and ending prior to July 1, 2017, an amount equal to 3.75%
18 of the taxpayer's net income for the taxable year.

19 (5.3) In the case of an individual, trust, or estate,
20 for taxable years beginning prior to July 1, 2017, and
21 ending after June 30, 2017, an amount equal to the sum of
22 (i) 3.75% of the taxpayer's net income for the period
23 prior to July 1, 2017, as calculated under Section 202.5,
24 and (ii) 4.95% of the taxpayer's net income for the period
25 after June 30, 2017, as calculated under Section 202.5.

26 (5.4) In the case of an individual, trust, or estate,

1 for taxable years beginning on or after July 1, 2017, an
2 amount equal to 4.95% of the taxpayer's net income for the
3 taxable year.

4 (6) In the case of a corporation, for taxable years
5 ending prior to July 1, 1989, an amount equal to 4% of the
6 taxpayer's net income for the taxable year.

7 (7) In the case of a corporation, for taxable years
8 beginning prior to July 1, 1989 and ending after June 30,
9 1989, an amount equal to the sum of (i) 4% of the
10 taxpayer's net income for the period prior to July 1,
11 1989, as calculated under Section 202.3, and (ii) 4.8% of
12 the taxpayer's net income for the period after June 30,
13 1989, as calculated under Section 202.3.

14 (8) In the case of a corporation, for taxable years
15 beginning after June 30, 1989, and ending prior to January
16 1, 2011, an amount equal to 4.8% of the taxpayer's net
17 income for the taxable year.

18 (9) In the case of a corporation, for taxable years
19 beginning prior to January 1, 2011, and ending after
20 December 31, 2010, an amount equal to the sum of (i) 4.8%
21 of the taxpayer's net income for the period prior to
22 January 1, 2011, as calculated under Section 202.5, and
23 (ii) 7% of the taxpayer's net income for the period after
24 December 31, 2010, as calculated under Section 202.5.

25 (10) In the case of a corporation, for taxable years
26 beginning on or after January 1, 2011, and ending prior to

1 January 1, 2015, an amount equal to 7% of the taxpayer's
2 net income for the taxable year.

3 (11) In the case of a corporation, for taxable years
4 beginning prior to January 1, 2015, and ending after
5 December 31, 2014, an amount equal to the sum of (i) 7% of
6 the taxpayer's net income for the period prior to January
7 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
8 of the taxpayer's net income for the period after December
9 31, 2014, as calculated under Section 202.5.

10 (12) In the case of a corporation, for taxable years

beginning on or after January 1, 2015, and ending prior to July 1, 2017, an amount equal to 5.25% of the taxpayer's net income for the taxable year.

(13) In the case of a corporation, for taxable years beginning prior to July 1, 2017, and ending after June 30, 2017, an amount equal to the sum of (i) 5.25% of the taxpayer's net income for the period prior to July 1, 2017, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after June 30, 2017, as calculated under Section 202.5.

(14) In the case of a corporation, for taxable years beginning on or after July 1, 2017, an amount equal to 7% of the taxpayer's net income for the taxable year.

The rates under this subsection (b) are subject to the provisions of Section 201.5.

(b-5) Surcharge; sale or exchange of assets, properties,

and intangibles of organization gaming licensees. For each of taxable years 2019 through 2027, a surcharge is imposed on all taxpayers on income arising from the sale or exchange of capital assets, depreciable business property, real property used in the trade or business, and Section 197 intangibles (i) of an organization licensee under the Illinois Horse Racing Act of 1975 and (ii) of an organization gaming licensee under the Illinois Gambling Act. The amount of the surcharge is equal to the amount of federal income tax liability for the taxable year attributable to those sales and exchanges. The surcharge imposed shall not apply if:

(1) the organization gaming license, organization license, or racetrack property is transferred as a result of any of the following:

(A) bankruptcy, a receivership, or a debt adjustment initiated by or against the initial licensee or the substantial owners of the initial licensee;

(B) cancellation, revocation, or termination of any such license by the Illinois Gaming Board or the Illinois Racing Board;

(C) a determination by the Illinois Gaming Board

23 that transfer of the license is in the best interests
24 of Illinois gaming;
25 (D) the death of an owner of the equity interest in
26 a licensee;

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1 (E) the acquisition of a controlling interest in
2 the stock or substantially all of the assets of a
3 publicly traded company;

4 (F) a transfer by a parent company to a wholly
5 owned subsidiary; or

6 (G) the transfer or sale to or by one person to
7 another person where both persons were initial owners
8 of the license when the license was issued; or

9 (2) the controlling interest in the organization
10 gaming license, organization license, or racetrack
11 property is transferred in a transaction to lineal
12 descendants in which no gain or loss is recognized or as a
13 result of a transaction in accordance with Section 351 of
14 the Internal Revenue Code in which no gain or loss is
15 recognized; or

16 (3) live horse racing was not conducted in 2010 at a
17 racetrack located within 3 miles of the Mississippi River
18 under a license issued pursuant to the Illinois Horse
19 Racing Act of 1975.

20 The transfer of an organization gaming license,
21 organization license, or racetrack property by a person other
22 than the initial licensee to receive the organization gaming
23 license is not subject to a surcharge. The Department shall
24 adopt rules necessary to implement and administer this
25 subsection.

26 (c) Personal Property Tax Replacement Income Tax.

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1 Beginning on July 1, 1979 and thereafter, in addition to such
2 income tax, there is also hereby imposed the Personal Property

3 Tax Replacement Income Tax measured by net income on every
4 corporation (including Subchapter S corporations), partnership
5 and trust, for each taxable year ending after June 30, 1979.
6 Such taxes are imposed on the privilege of earning or
7 receiving income in or as a resident of this State. The
8 Personal Property Tax Replacement Income Tax shall be in
9 addition to the income tax imposed by subsections (a) and (b)
10 of this Section and in addition to all other occupation or
11 privilege taxes imposed by this State or by any municipal
12 corporation or political subdivision thereof.

13 (d) Additional Personal Property Tax Replacement Income
14 Tax Rates. The personal property tax replacement income tax
15 imposed by this subsection and subsection (c) of this Section
16 in the case of a corporation, other than a Subchapter S
17 corporation and except as adjusted by subsection (d-1), shall
18 be an additional amount equal to 2.85% of such taxpayer's net
19 income for the taxable year, except that beginning on January
20 1, 1981, and thereafter, the rate of 2.85% specified in this
21 subsection shall be reduced to 2.5%, and in the case of a
22 partnership, trust or a Subchapter S corporation shall be an
23 additional amount equal to 1.5% of such taxpayer's net income
24 for the taxable year.

25 (d-1) Rate reduction for certain foreign insurers. In the
26 case of a foreign insurer, as defined by Section 35A-5 of the

1 Illinois Insurance Code, whose state or country of domicile
2 imposes on insurers domiciled in Illinois a retaliatory tax
3 (excluding any insurer whose premiums from reinsurance assumed
4 are 50% or more of its total insurance premiums as determined
5 under paragraph (2) of subsection (b) of Section 304, except
6 that for purposes of this determination premiums from
7 reinsurance do not include premiums from inter-affiliate
8 reinsurance arrangements), beginning with taxable years ending
9 on or after December 31, 1999, the sum of the rates of tax
10 imposed by subsections (b) and (d) shall be reduced (but not
11 increased) to the rate at which the total amount of tax imposed
12 under this Act, net of all credits allowed under this Act,
13 shall equal (i) the total amount of tax that would be imposed
14 on the foreign insurer's net income allocable to Illinois for

15 the taxable year by such foreign insurer's state or country of
16 domicile if that net income were subject to all income taxes
17 and taxes measured by net income imposed by such foreign
18 insurer's state or country of domicile, net of all credits
19 allowed or (ii) a rate of zero if no such tax is imposed on
20 such income by the foreign insurer's state of domicile. For
21 the purposes of this subsection (d-1), an inter-affiliate
22 includes a mutual insurer under common management.

23 (1) For the purposes of subsection (d-1), in no event
24 shall the sum of the rates of tax imposed by subsections
25 (b) and (d) be reduced below the rate at which the sum of:
26 (A) the total amount of tax imposed on such

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1 foreign insurer under this Act for a taxable year, net
2 of all credits allowed under this Act, plus
3 (B) the privilege tax imposed by Section 409 of
4 the Illinois Insurance Code, the fire insurance
5 company tax imposed by Section 12 of the Fire
6 Investigation Act, and the fire department taxes
7 imposed under Section 11-10-1 of the Illinois
8 Municipal Code,
9 equals 1.25% for taxable years ending prior to December
10 31, 2003, or 1.75% for taxable years ending on or after
11 December 31, 2003, of the net taxable premiums written for
12 the taxable year, as described by subsection (1) of
13 Section 409 of the Illinois Insurance Code. This paragraph
14 will in no event increase the rates imposed under
15 subsections (b) and (d).

16 (2) Any reduction in the rates of tax imposed by this
17 subsection shall be applied first against the rates
18 imposed by subsection (b) and only after the tax imposed
19 by subsection (a) net of all credits allowed under this
20 Section other than the credit allowed under subsection (i)
21 has been reduced to zero, against the rates imposed by
22 subsection (d).

23 This subsection (d-1) is exempt from the provisions of
24 Section 250.

25 (e) Investment credit. A taxpayer shall be allowed a
26 credit against the Personal Property Tax Replacement Income

1 Tax for investment in qualified property.

2 (1) A taxpayer shall be allowed a credit equal to .5%
3 of the basis of qualified property placed in service
4 during the taxable year, provided such property is placed
5 in service on or after July 1, 1984. There shall be allowed
6 an additional credit equal to .5% of the basis of
7 qualified property placed in service during the taxable
8 year, provided such property is placed in service on or
9 after July 1, 1986, and the taxpayer's base employment
10 within Illinois has increased by 1% or more over the
11 preceding year as determined by the taxpayer's employment
12 records filed with the Illinois Department of Employment
13 Security. Taxpayers who are new to Illinois shall be
14 deemed to have met the 1% growth in base employment for the
15 first year in which they file employment records with the
16 Illinois Department of Employment Security. The provisions
17 added to this Section by Public Act 85-1200 (and restored
18 by Public Act 87-895) shall be construed as declaratory of
19 existing law and not as a new enactment. If, in any year,
20 the increase in base employment within Illinois over the
21 preceding year is less than 1%, the additional credit
22 shall be limited to that percentage times a fraction, the
23 numerator of which is .5% and the denominator of which is
24 1%, but shall not exceed .5%. The investment credit shall
25 not be allowed to the extent that it would reduce a
26 taxpayer's liability in any tax year below zero, nor may

1 any credit for qualified property be allowed for any year
2 other than the year in which the property was placed in
3 service in Illinois. For tax years ending on or after
4 December 31, 1987, and on or before December 31, 1988, the
5 credit shall be allowed for the tax year in which the
6 property is placed in service, or, if the amount of the

7 credit exceeds the tax liability for that year, whether it
8 exceeds the original liability or the liability as later
9 amended, such excess may be carried forward and applied to
10 the tax liability of the 5 taxable years following the
11 excess credit years if the taxpayer (i) makes investments
12 which cause the creation of a minimum of 2,000 full-time
13 equivalent jobs in Illinois, (ii) is located in an
14 enterprise zone established pursuant to the Illinois
15 Enterprise Zone Act and (iii) is certified by the
16 Department of Commerce and Community Affairs (now
17 Department of Commerce and Economic Opportunity) as
18 complying with the requirements specified in clause (i)
19 and (ii) by July 1, 1986. The Department of Commerce and
20 Community Affairs (now Department of Commerce and Economic
21 Opportunity) shall notify the Department of Revenue of all
22 such certifications immediately. For tax years ending
23 after December 31, 1988, the credit shall be allowed for
24 the tax year in which the property is placed in service,
25 or, if the amount of the credit exceeds the tax liability
26 for that year, whether it exceeds the original liability

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1 or the liability as later amended, such excess may be
2 carried forward and applied to the tax liability of the 5
3 taxable years following the excess credit years. The
4 credit shall be applied to the earliest year for which
5 there is a liability. If there is credit from more than one
6 tax year that is available to offset a liability, earlier
7 credit shall be applied first.

8 (2) The term "qualified property" means property
9 which:

10 (A) is tangible, whether new or used, including
11 buildings and structural components of buildings and
12 signs that are real property, but not including land
13 or improvements to real property that are not a
14 structural component of a building such as
15 landscaping, sewer lines, local access roads, fencing,
16 parking lots, and other appurtenances;

17 (B) is depreciable pursuant to Section 167 of the
18 Internal Revenue Code, except that "3-year property"

19 as defined in Section 168(c)(2)(A) of that Code is not
20 eligible for the credit provided by this subsection
21 (e);

22 (C) is acquired by purchase as defined in Section
23 179(d) of the Internal Revenue Code;

24 (D) is used in Illinois by a taxpayer who is
25 primarily engaged in manufacturing, or in mining coal
26 or fluorite, or in retailing, or was placed in service

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1 on or after July 1, 2006 in a River Edge Redevelopment
2 Zone established pursuant to the River Edge
3 Redevelopment Zone Act; and

4 (E) has not previously been used in Illinois in
5 such a manner and by such a person as would qualify for
6 the credit provided by this subsection (e) or
7 subsection (f).

8 (3) For purposes of this subsection (e),
9 "manufacturing" means the material staging and production
10 of tangible personal property by procedures commonly
11 regarded as manufacturing, processing, fabrication, or
12 assembling which changes some existing material into new
13 shapes, new qualities, or new combinations. For purposes
14 of this subsection (e) the term "mining" shall have the
15 same meaning as the term "mining" in Section 613(c) of the
16 Internal Revenue Code. For purposes of this subsection
17 (e), the term "retailing" means the sale of tangible
18 personal property for use or consumption and not for
19 resale, or services rendered in conjunction with the sale
20 of tangible personal property for use or consumption and
21 not for resale. For purposes of this subsection (e),
22 "tangible personal property" has the same meaning as when
23 that term is used in the Retailers' Occupation Tax Act,
24 and, for taxable years ending after December 31, 2008,
25 does not include the generation, transmission, or
26 distribution of electricity.

1 (4) The basis of qualified property shall be the basis
2 used to compute the depreciation deduction for federal
3 income tax purposes.

4 (5) If the basis of the property for federal income
5 tax depreciation purposes is increased after it has been
6 placed in service in Illinois by the taxpayer, the amount
7 of such increase shall be deemed property placed in
8 service on the date of such increase in basis.

9 (6) The term "placed in service" shall have the same
10 meaning as under Section 46 of the Internal Revenue Code.

11 (7) If during any taxable year, any property ceases to
12 be qualified property in the hands of the taxpayer within
13 48 months after being placed in service, or the situs of
14 any qualified property is moved outside Illinois within 48
15 months after being placed in service, the Personal
16 Property Tax Replacement Income Tax for such taxable year
17 shall be increased. Such increase shall be determined by
18 (i) recomputing the investment credit which would have
19 been allowed for the year in which credit for such
20 property was originally allowed by eliminating such
21 property from such computation and, (ii) subtracting such
22 recomputed credit from the amount of credit previously
23 allowed. For the purposes of this paragraph (7), a
24 reduction of the basis of qualified property resulting
25 from a redetermination of the purchase price shall be
26 deemed a disposition of qualified property to the extent

1 of such reduction.

2 (8) Unless the investment credit is extended by law,
3 the basis of qualified property shall not include costs
4 incurred after December 31, 2018, except for costs
5 incurred pursuant to a binding contract entered into on or
6 before December 31, 2018.

7 (9) Each taxable year ending before December 31, 2000,
8 a partnership may elect to pass through to its partners
9 the credits to which the partnership is entitled under
10 this subsection (e) for the taxable year. A partner may

11 use the credit allocated to him or her under this
12 paragraph only against the tax imposed in subsections (c)
13 and (d) of this Section. If the partnership makes that
14 election, those credits shall be allocated among the
15 partners in the partnership in accordance with the rules
16 set forth in Section 704(b) of the Internal Revenue Code,
17 and the rules promulgated under that Section, and the
18 allocated amount of the credits shall be allowed to the
19 partners for that taxable year. The partnership shall make
20 this election on its Personal Property Tax Replacement
21 Income Tax return for that taxable year. The election to
22 pass through the credits shall be irrevocable.

23 For taxable years ending on or after December 31,
24 2000, a partner that qualifies its partnership for a
25 subtraction under subparagraph (I) of paragraph (2) of
26 subsection (d) of Section 203 or a shareholder that

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1 qualifies a Subchapter S corporation for a subtraction
2 under subparagraph (S) of paragraph (2) of subsection (b)
3 of Section 203 shall be allowed a credit under this
4 subsection (e) equal to its share of the credit earned
5 under this subsection (e) during the taxable year by the
6 partnership or Subchapter S corporation, determined in
7 accordance with the determination of income and
8 distributive share of income under Sections 702 and 704
9 and Subchapter S of the Internal Revenue Code. This
10 paragraph is exempt from the provisions of Section 250.

11 (f) Investment credit; Enterprise Zone; River Edge
12 Redevelopment Zone.

13 (1) A taxpayer shall be allowed a credit against the
14 tax imposed by subsections (a) and (b) of this Section for
15 investment in qualified property which is placed in
16 service in an Enterprise Zone created pursuant to the
17 Illinois Enterprise Zone Act or, for property placed in
18 service on or after July 1, 2006, a River Edge
19 Redevelopment Zone established pursuant to the River Edge
20 Redevelopment Zone Act. For partners, shareholders of
21 Subchapter S corporations, and owners of limited liability
22 companies, if the liability company is treated as a

23 partnership for purposes of federal and State income
24 taxation, for taxable years ending before December 31,
25 2023, there shall be allowed a credit under this
26 subsection (f) to be determined in accordance with the

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1 determination of income and distributive share of income
2 under Sections 702 and 704 and Subchapter S of the
3 Internal Revenue Code. For taxable years ending on or
4 after December 31, 2023, for partners and shareholders of
5 Subchapter S corporations, the provisions of Section 251
6 shall apply with respect to the credit under this
7 subsection. The credit shall be .5% of the basis for such
8 property. The credit shall be available only in the
9 taxable year in which the property is placed in service in
10 the Enterprise Zone or River Edge Redevelopment Zone and
11 shall not be allowed to the extent that it would reduce a
12 taxpayer's liability for the tax imposed by subsections
13 (a) and (b) of this Section to below zero. For tax years
14 ending on or after December 31, 1985, the credit shall be
15 allowed for the tax year in which the property is placed in
16 service, or, if the amount of the credit exceeds the tax
17 liability for that year, whether it exceeds the original
18 liability or the liability as later amended, such excess
19 may be carried forward and applied to the tax liability of
20 the 5 taxable years following the excess credit year. The
21 credit shall be applied to the earliest year for which
22 there is a liability. If there is credit from more than one
23 tax year that is available to offset a liability, the
24 credit accruing first in time shall be applied first.

25 (2) The term qualified property means property which:

26 (A) is tangible, whether new or used, including

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1 buildings and structural components of buildings;
2 (B) is depreciable pursuant to Section 167 of the

Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (f);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer; and

(E) has not been previously used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (f) or subsection (e).

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year, any property ceases to

be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside the Enterprise Zone or River Edge Redevelopment Zone within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting

15 from a redetermination of the purchase price shall be
16 deemed a disposition of qualified property to the extent
17 of such reduction.

18 (7) There shall be allowed an additional credit equal
19 to 0.5% of the basis of qualified property placed in
20 service during the taxable year in a River Edge
21 Redevelopment Zone, provided such property is placed in
22 service on or after July 1, 2006, and the taxpayer's base
23 employment within Illinois has increased by 1% or more
24 over the preceding year as determined by the taxpayer's
25 employment records filed with the Illinois Department of
26 Employment Security. Taxpayers who are new to Illinois

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1 shall be deemed to have met the 1% growth in base
2 employment for the first year in which they file
3 employment records with the Illinois Department of
4 Employment Security. If, in any year, the increase in base
5 employment within Illinois over the preceding year is less
6 than 1%, the additional credit shall be limited to that
7 percentage times a fraction, the numerator of which is
8 0.5% and the denominator of which is 1%, but shall not
9 exceed 0.5%.

10 (8) For taxable years beginning on or after January 1,
11 2021, there shall be allowed an Enterprise Zone
12 construction jobs credit against the taxes imposed under
13 subsections (a) and (b) of this Section as provided in
14 Section 13 of the Illinois Enterprise Zone Act.

15 The credit or credits may not reduce the taxpayer's
16 liability to less than zero. If the amount of the credit or
17 credits exceeds the taxpayer's liability, the excess may
18 be carried forward and applied against the taxpayer's
19 liability in succeeding calendar years in the same manner
20 provided under paragraph (4) of Section 211 of this Act.
21 The credit or credits shall be applied to the earliest
22 year for which there is a tax liability. If there are
23 credits from more than one taxable year that are available
24 to offset a liability, the earlier credit shall be applied
25 first.

26 For partners, shareholders of Subchapter S

1 corporations, and owners of limited liability companies,
2 if the liability company is treated as a partnership for
3 the purposes of federal and State income taxation, for
4 taxable years ending before December 31, 2023, there shall
5 be allowed a credit under this Section to be determined in
6 accordance with the determination of income and
7 distributive share of income under Sections 702 and 704
8 and Subchapter S of the Internal Revenue Code. For taxable
9 years ending on or after December 31, 2023, for partners
10 and shareholders of Subchapter S corporations, the
11 provisions of Section 251 shall apply with respect to the
12 credit under this subsection.

13 The total aggregate amount of credits awarded under
14 the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
15 shall not exceed \$20,000,000 in any State fiscal year.

16 This paragraph (8) is exempt from the provisions of
17 Section 250.

18 (g) (Blank).

19 (h) Investment credit; High Impact Business.

20 (1) Subject to subsections (b) and (b-5) of Section
21 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
22 be allowed a credit against the tax imposed by subsections
23 (a) and (b) of this Section for investment in qualified
24 property which is placed in service by a Department of
25 Commerce and Economic Opportunity designated High Impact
26 Business. The credit shall be .5% of the basis for such

1 property. The credit shall not be available (i) until the
2 minimum investments in qualified property set forth in
3 subdivision (a)(3)(A) of Section 5.5 of the Illinois
4 Enterprise Zone Act have been satisfied or (ii) until the
5 time authorized in subsection (b-5) of the Illinois
6 Enterprise Zone Act for entities designated as High Impact

7 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
8 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
9 Act, and shall not be allowed to the extent that it would
10 reduce a taxpayer's liability for the tax imposed by
11 subsections (a) and (b) of this Section to below zero. The
12 credit applicable to such investments shall be taken in
13 the taxable year in which such investments have been
14 completed. The credit for additional investments beyond
15 the minimum investment by a designated high impact
16 business authorized under subdivision (a)(3)(A) of Section
17 5.5 of the Illinois Enterprise Zone Act shall be available
18 only in the taxable year in which the property is placed in
19 service and shall not be allowed to the extent that it
20 would reduce a taxpayer's liability for the tax imposed by
21 subsections (a) and (b) of this Section to below zero. For
22 tax years ending on or after December 31, 1987, the credit
23 shall be allowed for the tax year in which the property is
24 placed in service, or, if the amount of the credit exceeds
25 the tax liability for that year, whether it exceeds the
26 original liability or the liability as later amended, such

1 excess may be carried forward and applied to the tax
2 liability of the 5 taxable years following the excess
3 credit year. The credit shall be applied to the earliest
4 year for which there is a liability. If there is credit
5 from more than one tax year that is available to offset a
6 liability, the credit accruing first in time shall be
7 applied first.

8 Changes made in this subdivision (h)(1) by Public Act
9 88-670 restore changes made by Public Act 85-1182 and
10 reflect existing law.

11 (2) The term qualified property means property which:

12 (A) is tangible, whether new or used, including
13 buildings and structural components of buildings;

14 (B) is depreciable pursuant to Section 167 of the
15 Internal Revenue Code, except that "3-year property"
16 as defined in Section 168(c)(2)(A) of that Code is not
17 eligible for the credit provided by this subsection
18 (h);

19 (C) is acquired by purchase as defined in Section
20 179(d) of the Internal Revenue Code; and

21 (D) is not eligible for the Enterprise Zone
22 Investment Credit provided by subsection (f) of this
23 Section.

24 (3) The basis of qualified property shall be the basis
25 used to compute the depreciation deduction for federal
26 income tax purposes.

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1 (4) If the basis of the property for federal income
2 tax depreciation purposes is increased after it has been
3 placed in service in a federally designated Foreign Trade
4 Zone or Sub-Zone located in Illinois by the taxpayer, the
5 amount of such increase shall be deemed property placed in
6 service on the date of such increase in basis.

7 (5) The term "placed in service" shall have the same
8 meaning as under Section 46 of the Internal Revenue Code.

9 (6) If during any taxable year ending on or before
10 December 31, 1996, any property ceases to be qualified
11 property in the hands of the taxpayer within 48 months
12 after being placed in service, or the situs of any
13 qualified property is moved outside Illinois within 48
14 months after being placed in service, the tax imposed
15 under subsections (a) and (b) of this Section for such
16 taxable year shall be increased. Such increase shall be
17 determined by (i) recomputing the investment credit which
18 would have been allowed for the year in which credit for
19 such property was originally allowed by eliminating such
20 property from such computation, and (ii) subtracting such
21 recomputed credit from the amount of credit previously
22 allowed. For the purposes of this paragraph (6), a
23 reduction of the basis of qualified property resulting
24 from a redetermination of the purchase price shall be
25 deemed a disposition of qualified property to the extent
26 of such reduction.

1 (7) Beginning with tax years ending after December 31,
2 1996, if a taxpayer qualifies for the credit under this
3 subsection (h) and thereby is granted a tax abatement and
4 the taxpayer relocates its entire facility in violation of
5 the explicit terms and length of the contract under
6 Section 18-183 of the Property Tax Code, the tax imposed
7 under subsections (a) and (b) of this Section shall be
8 increased for the taxable year in which the taxpayer
9 relocated its facility by an amount equal to the amount of
10 credit received by the taxpayer under this subsection (h).

11 (h-5) High Impact Business construction jobs credit. For
12 taxable years beginning on or after January 1, 2021, there
13 shall also be allowed a High Impact Business construction jobs
14 credit against the tax imposed under subsections (a) and (b)
15 of this Section as provided in subsections (i) and (j) of
16 Section 5.5 of the Illinois Enterprise Zone Act.

17 The credit or credits may not reduce the taxpayer's
18 liability to less than zero. If the amount of the credit or
19 credits exceeds the taxpayer's liability, the excess may be
20 carried forward and applied against the taxpayer's liability
21 in succeeding calendar years in the manner provided under
22 paragraph (4) of Section 211 of this Act. The credit or credits
23 shall be applied to the earliest year for which there is a tax
24 liability. If there are credits from more than one taxable
25 year that are available to offset a liability, the earlier
26 credit shall be applied first.

1 For partners, shareholders of Subchapter S corporations,
2 and owners of limited liability companies, for taxable years
3 ending before December 31, 2023, if the liability company is
4 treated as a partnership for the purposes of federal and State
5 income taxation, there shall be allowed a credit under this
6 Section to be determined in accordance with the determination
7 of income and distributive share of income under Sections 702
8 and 704 and Subchapter S of the Internal Revenue Code. For
9 taxable years ending on or after December 31, 2023, for
10 partners and shareholders of Subchapter S corporations, the

11 provisions of Section 251 shall apply with respect to the
12 credit under this subsection.

13 The total aggregate amount of credits awarded under the
14 Blue Collar Jobs Act (Article 20 of Public Act 101-9) shall not
15 exceed \$20,000,000 in any State fiscal year.

16 This subsection (h-5) is exempt from the provisions of
17 Section 250.

18 (i) Credit for Personal Property Tax Replacement Income
19 Tax. For tax years ending prior to December 31, 2003, a credit
20 shall be allowed against the tax imposed by subsections (a)
21 and (b) of this Section for the tax imposed by subsections (c)
22 and (d) of this Section. This credit shall be computed by
23 multiplying the tax imposed by subsections (c) and (d) of this
24 Section by a fraction, the numerator of which is base income
25 allocable to Illinois and the denominator of which is Illinois
26 base income, and further multiplying the product by the tax

1 rate imposed by subsections (a) and (b) of this Section.

2 Any credit earned on or after December 31, 1986 under this
3 subsection which is unused in the year the credit is computed
4 because it exceeds the tax liability imposed by subsections
5 (a) and (b) for that year (whether it exceeds the original
6 liability or the liability as later amended) may be carried
7 forward and applied to the tax liability imposed by
8 subsections (a) and (b) of the 5 taxable years following the
9 excess credit year, provided that no credit may be carried
10 forward to any year ending on or after December 31, 2003. This
11 credit shall be applied first to the earliest year for which
12 there is a liability. If there is a credit under this
13 subsection from more than one tax year that is available to
14 offset a liability the earliest credit arising under this
15 subsection shall be applied first.

16 If, during any taxable year ending on or after December
17 31, 1986, the tax imposed by subsections (c) and (d) of this
18 Section for which a taxpayer has claimed a credit under this
19 subsection (i) is reduced, the amount of credit for such tax
20 shall also be reduced. Such reduction shall be determined by
21 recomputing the credit to take into account the reduced tax
22 imposed by subsections (c) and (d). If any portion of the

23 reduced amount of credit has been carried to a different
24 taxable year, an amended return shall be filed for such
25 taxable year to reduce the amount of credit claimed.
26 (j) Training expense credit. Beginning with tax years

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1 ending on or after December 31, 1986 and prior to December 31,
2 2003, a taxpayer shall be allowed a credit against the tax
3 imposed by subsections (a) and (b) under this Section for all
4 amounts paid or accrued, on behalf of all persons employed by
5 the taxpayer in Illinois or Illinois residents employed
6 outside of Illinois by a taxpayer, for educational or
7 vocational training in semi-technical or technical fields or
8 semi-skilled or skilled fields, which were deducted from gross
9 income in the computation of taxable income. The credit
10 against the tax imposed by subsections (a) and (b) shall be
11 1.6% of such training expenses. For partners, shareholders of
12 subchapter S corporations, and owners of limited liability
13 companies, if the liability company is treated as a
14 partnership for purposes of federal and State income taxation,
15 for taxable years ending before December 31, 2023, there shall
16 be allowed a credit under this subsection (j) to be determined
17 in accordance with the determination of income and
18 distributive share of income under Sections 702 and 704 and
19 subchapter S of the Internal Revenue Code. For taxable years
20 ending on or after December 31, 2023, for partners and
21 shareholders of Subchapter S corporations, the provisions of
22 Section 251 shall apply with respect to the credit under this
23 subsection.

24 Any credit allowed under this subsection which is unused
25 in the year the credit is earned may be carried forward to each
26 of the 5 taxable years following the year for which the credit

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1 is first computed until it is used. This credit shall be
2 applied first to the earliest year for which there is a

3 liability. If there is a credit under this subsection from
4 more than one tax year that is available to offset a liability,
5 the earliest credit arising under this subsection shall be
6 applied first. No carryforward credit may be claimed in any
7 tax year ending on or after December 31, 2003.

8 (k) Research and development credit. For tax years ending
9 after July 1, 1990 and prior to December 31, 2003, and
10 beginning again for tax years ending on or after December 31,
11 2004, and ending prior to January 1, 2032, a taxpayer shall be
12 allowed a credit against the tax imposed by subsections (a)
13 and (b) of this Section for increasing research activities in
14 this State. The credit allowed against the tax imposed by
15 subsections (a) and (b) shall be equal to 6 1/2% of the
16 qualifying expenditures for increasing research activities in
17 this State. For partners, shareholders of subchapter S
18 corporations, and owners of limited liability companies, if
19 the liability company is treated as a partnership for purposes
20 of federal and State income taxation, for taxable years ending
21 before December 31, 2023, there shall be allowed a credit
22 under this subsection to be determined in accordance with the
23 determination of income and distributive share of income under
24 Sections 702 and 704 and subchapter S of the Internal Revenue
25 Code. For taxable years ending on or after December 31, 2023,
26 for partners and shareholders of Subchapter S corporations,

1 the provisions of Section 251 shall apply with respect to the
2 credit under this subsection.

3 For purposes of this subsection, "qualifying expenditures"
4 means the qualifying expenditures as defined for the federal
5 credit for increasing research activities which would be
6 allowable under Section 41 of the Internal Revenue Code and
7 which are conducted in this State, "qualifying expenditures
8 for increasing research activities in this State" means the
9 excess of qualifying expenditures for the taxable year in
10 which incurred over qualifying expenditures for the base
11 period, "qualifying expenditures for the base period" means
12 the average of the qualifying expenditures for each year in
13 the base period, and "base period" means the 3 taxable years
14 immediately preceding the taxable year for which the

15 determination is being made.

16 Any credit in excess of the tax liability for the taxable
17 year may be carried forward. A taxpayer may elect to have the
18 unused credit shown on its final completed return carried over
19 as a credit against the tax liability for the following 5
20 taxable years or until it has been fully used, whichever
21 occurs first; provided that no credit earned in a tax year
22 ending prior to December 31, 2003 may be carried forward to any
23 year ending on or after December 31, 2003.

24 If an unused credit is carried forward to a given year from
25 2 or more earlier years, that credit arising in the earliest
26 year will be applied first against the tax liability for the

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1 given year. If a tax liability for the given year still
2 remains, the credit from the next earliest year will then be
3 applied, and so on, until all credits have been used or no tax
4 liability for the given year remains. Any remaining unused
5 credit or credits then will be carried forward to the next
6 following year in which a tax liability is incurred, except
7 that no credit can be carried forward to a year which is more
8 than 5 years after the year in which the expense for which the
9 credit is given was incurred.

10 No inference shall be drawn from Public Act 91-644 in
11 construing this Section for taxable years beginning before
12 January 1, 1999.

13 It is the intent of the General Assembly that the research
14 and development credit under this subsection (k) shall apply
15 continuously for all tax years ending on or after December 31,
16 2004 and ending prior to January 1, 2032, including, but not
17 limited to, the period beginning on January 1, 2016 and ending
18 on July 6, 2017 (the effective date of Public Act 100-22). All
19 actions taken in reliance on the continuation of the credit
20 under this subsection (k) by any taxpayer are hereby
21 validated.

22 (l) Environmental Remediation Tax Credit.

23 (i) For tax years ending after December 31, 1997 and
24 on or before December 31, 2001, a taxpayer shall be
25 allowed a credit against the tax imposed by subsections
26 (a) and (b) of this Section for certain amounts paid for

1 unreimbursed eligible remediation costs, as specified in
2 this subsection. For purposes of this Section,
3 "unreimbursed eligible remediation costs" means costs
4 approved by the Illinois Environmental Protection Agency
5 ("Agency") under Section 58.14 of the Environmental
6 Protection Act that were paid in performing environmental
7 remediation at a site for which a No Further Remediation
8 Letter was issued by the Agency and recorded under Section
9 58.10 of the Environmental Protection Act. The credit must
10 be claimed for the taxable year in which Agency approval
11 of the eligible remediation costs is granted. The credit
12 is not available to any taxpayer if the taxpayer or any
13 related party caused or contributed to, in any material
14 respect, a release of regulated substances on, in, or
15 under the site that was identified and addressed by the
16 remedial action pursuant to the Site Remediation Program
17 of the Environmental Protection Act. After the Pollution
18 Control Board rules are adopted pursuant to the Illinois
19 Administrative Procedure Act for the administration and
20 enforcement of Section 58.9 of the Environmental
21 Protection Act, determinations as to credit availability
22 for purposes of this Section shall be made consistent with
23 those rules. For purposes of this Section, "taxpayer"
24 includes a person whose tax attributes the taxpayer has
25 succeeded to under Section 381 of the Internal Revenue
26 Code and "related party" includes the persons disallowed a

1 deduction for losses by paragraphs (b), (c), and (f)(1) of
2 Section 267 of the Internal Revenue Code by virtue of
3 being a related taxpayer, as well as any of its partners.
4 The credit allowed against the tax imposed by subsections
5 (a) and (b) shall be equal to 25% of the unreimbursed
6 eligible remediation costs in excess of \$100,000 per site,

7 except that the \$100,000 threshold shall not apply to any
8 site contained in an enterprise zone as determined by the
9 Department of Commerce and Community Affairs (now
10 Department of Commerce and Economic Opportunity). The
11 total credit allowed shall not exceed \$40,000 per year
12 with a maximum total of \$150,000 per site. For partners
13 and shareholders of subchapter S corporations, there shall
14 be allowed a credit under this subsection to be determined
15 in accordance with the determination of income and
16 distributive share of income under Sections 702 and 704
17 and subchapter S of the Internal Revenue Code.

18 (ii) A credit allowed under this subsection that is
19 unused in the year the credit is earned may be carried
20 forward to each of the 5 taxable years following the year
21 for which the credit is first earned until it is used. The
22 term "unused credit" does not include any amounts of
23 unreimbursed eligible remediation costs in excess of the
24 maximum credit per site authorized under paragraph (i).
25 This credit shall be applied first to the earliest year
26 for which there is a liability. If there is a credit under

1 this subsection from more than one tax year that is
2 available to offset a liability, the earliest credit
3 arising under this subsection shall be applied first. A
4 credit allowed under this subsection may be sold to a
5 buyer as part of a sale of all or part of the remediation
6 site for which the credit was granted. The purchaser of a
7 remediation site and the tax credit shall succeed to the
8 unused credit and remaining carry-forward period of the
9 seller. To perfect the transfer, the assignor shall record
10 the transfer in the chain of title for the site and provide
11 written notice to the Director of the Illinois Department
12 of Revenue of the assignor's intent to sell the
13 remediation site and the amount of the tax credit to be
14 transferred as a portion of the sale. In no event may a
15 credit be transferred to any taxpayer if the taxpayer or a
16 related party would not be eligible under the provisions
17 of subsection (i).

18 (iii) For purposes of this Section, the term "site"

19 shall have the same meaning as under Section 58.2 of the
20 Environmental Protection Act.

21 (m) Education expense credit. Beginning with tax years
22 ending after December 31, 1999, a taxpayer who is the
23 custodian of one or more qualifying pupils shall be allowed a
24 credit against the tax imposed by subsections (a) and (b) of
25 this Section for qualified education expenses incurred on
26 behalf of the qualifying pupils. The credit shall be equal to

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1 25% of qualified education expenses, but in no event may the
2 total credit under this subsection claimed by a family that is
3 the custodian of qualifying pupils exceed (i) \$500 for tax
4 years ending prior to December 31, 2017, and (ii) \$750 for tax
5 years ending on or after December 31, 2017. In no event shall a
6 credit under this subsection reduce the taxpayer's liability
7 under this Act to less than zero. Notwithstanding any other
8 provision of law, for taxable years beginning on or after
9 January 1, 2017, no taxpayer may claim a credit under this
10 subsection (m) if the taxpayer's adjusted gross income for the
11 taxable year exceeds (i) \$500,000, in the case of spouses
12 filing a joint federal tax return or (ii) \$250,000, in the case
13 of all other taxpayers. This subsection is exempt from the
14 provisions of Section 250 of this Act.

15 For purposes of this subsection:

16 "Qualifying pupils" means individuals who (i) are
17 residents of the State of Illinois, (ii) are under the age of
18 21 at the close of the school year for which a credit is
19 sought, and (iii) during the school year for which a credit is
20 sought were full-time pupils enrolled in a kindergarten
21 through twelfth grade education program at any school, as
22 defined in this subsection.

23 "Qualified education expense" means the amount incurred on
24 behalf of a qualifying pupil in excess of \$250 for tuition,
25 book fees, and lab fees at the school in which the pupil is
26 enrolled during the regular school year.

1 "School" means any public or nonpublic elementary or
2 secondary school in Illinois that is in compliance with Title
3 VI of the Civil Rights Act of 1964 and attendance at which
4 satisfies the requirements of Section 26-1 of the School Code,
5 except that nothing shall be construed to require a child to
6 attend any particular public or nonpublic school to qualify
7 for the credit under this Section.

8 "Custodian" means, with respect to qualifying pupils, an
9 Illinois resident who is a parent, the parents, a legal
10 guardian, or the legal guardians of the qualifying pupils.

11 (n) River Edge Redevelopment Zone site remediation tax
12 credit.

13 (i) For tax years ending on or after December 31,
14 2006, a taxpayer shall be allowed a credit against the tax
15 imposed by subsections (a) and (b) of this Section for
16 certain amounts paid for unreimbursed eligible remediation
17 costs, as specified in this subsection. For purposes of
18 this Section, "unreimbursed eligible remediation costs"
19 means costs approved by the Illinois Environmental
20 Protection Agency ("Agency") under Section 58.14a of the
21 Environmental Protection Act that were paid in performing
22 environmental remediation at a site within a River Edge
23 Redevelopment Zone for which a No Further Remediation
24 Letter was issued by the Agency and recorded under Section
25 58.10 of the Environmental Protection Act. The credit must
26 be claimed for the taxable year in which Agency approval

1 of the eligible remediation costs is granted. The credit
2 is not available to any taxpayer if the taxpayer or any
3 related party caused or contributed to, in any material
4 respect, a release of regulated substances on, in, or
5 under the site that was identified and addressed by the
6 remedial action pursuant to the Site Remediation Program
7 of the Environmental Protection Act. Determinations as to
8 credit availability for purposes of this Section shall be
9 made consistent with rules adopted by the Pollution
10 Control Board pursuant to the Illinois Administrative

11 Procedure Act for the administration and enforcement of
12 Section 58.9 of the Environmental Protection Act. For
13 purposes of this Section, "taxpayer" includes a person
14 whose tax attributes the taxpayer has succeeded to under
15 Section 381 of the Internal Revenue Code and "related
16 party" includes the persons disallowed a deduction for
17 losses by paragraphs (b), (c), and (f)(1) of Section 267
18 of the Internal Revenue Code by virtue of being a related
19 taxpayer, as well as any of its partners. The credit
20 allowed against the tax imposed by subsections (a) and (b)
21 shall be equal to 25% of the unreimbursed eligible
22 remediation costs in excess of \$100,000 per site.

23 (ii) A credit allowed under this subsection that is
24 unused in the year the credit is earned may be carried
25 forward to each of the 5 taxable years following the year
26 for which the credit is first earned until it is used. This

1 credit shall be applied first to the earliest year for
2 which there is a liability. If there is a credit under this
3 subsection from more than one tax year that is available
4 to offset a liability, the earliest credit arising under
5 this subsection shall be applied first. A credit allowed
6 under this subsection may be sold to a buyer as part of a
7 sale of all or part of the remediation site for which the
8 credit was granted. The purchaser of a remediation site
9 and the tax credit shall succeed to the unused credit and
10 remaining carry-forward period of the seller. To perfect
11 the transfer, the assignor shall record the transfer in
12 the chain of title for the site and provide written notice
13 to the Director of the Illinois Department of Revenue of
14 the assignor's intent to sell the remediation site and the
15 amount of the tax credit to be transferred as a portion of
16 the sale. In no event may a credit be transferred to any
17 taxpayer if the taxpayer or a related party would not be
18 eligible under the provisions of subsection (i).

19 (iii) For purposes of this Section, the term "site"
20 shall have the same meaning as under Section 58.2 of the
21 Environmental Protection Act.

22 (o) For each of taxable years during the Compassionate Use

23 of Medical Cannabis Program, a surcharge is imposed on all
24 taxpayers on income arising from the sale or exchange of
25 capital assets, depreciable business property, real property
26 used in the trade or business, and Section 197 intangibles of

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1 an organization registrant under the Compassionate Use of
2 Medical Cannabis Program Act. The amount of the surcharge is
3 equal to the amount of federal income tax liability for the
4 taxable year attributable to those sales and exchanges. The
5 surcharge imposed does not apply if:

6 (1) the medical cannabis cultivation center
7 registration, medical cannabis dispensary registration, or
8 the property of a registration is transferred as a result
9 of any of the following:

10 (A) bankruptcy, a receivership, or a debt
11 adjustment initiated by or against the initial
12 registration or the substantial owners of the initial
13 registration;

14 (B) cancellation, revocation, or termination of
15 any registration by the Illinois Department of Public
16 Health;

17 (C) a determination by the Illinois Department of
18 Public Health that transfer of the registration is in
19 the best interests of Illinois qualifying patients as
20 defined by the Compassionate Use of Medical Cannabis
21 Program Act;

22 (D) the death of an owner of the equity interest in
23 a registrant;

24 (E) the acquisition of a controlling interest in
25 the stock or substantially all of the assets of a
26 publicly traded company;

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1 (F) a transfer by a parent company to a wholly
2 owned subsidiary; or

3 (G) the transfer or sale to or by one person to
4 another person where both persons were initial owners
5 of the registration when the registration was issued;
6 or

7 (2) the cannabis cultivation center registration,
8 medical cannabis dispensary registration, or the
9 controlling interest in a registrant's property is
10 transferred in a transaction to lineal descendants in
11 which no gain or loss is recognized or as a result of a
12 transaction in accordance with Section 351 of the Internal
13 Revenue Code in which no gain or loss is recognized.

14 (p) Pass-through entity tax.

15 (1) For taxable years ending on or after December 31,
16 2021, a partnership (other than a publicly traded
17 partnership under Section 7704 of the Internal Revenue
18 Code) or Subchapter S corporation may elect to apply the
19 provisions of this subsection. A separate election shall
20 be made for each taxable year. Such election shall be made
21 at such time, and in such form and manner as prescribed by
22 the Department, and, once made, is irrevocable.

23 (2) Entity-level tax. A partnership or Subchapter S
24 corporation electing to apply the provisions of this
25 subsection shall be subject to a tax for the privilege of
26 earning or receiving income in this State in an amount

1 equal to 4.95% of the taxpayer's net income for the
2 taxable year.

3 (2.1) For taxable years ending on or after December
4 31, 2026, a partnership making an election under this
5 subsection may elect, in the manner prescribed by the
6 Department, to determine the tax base for the purposes of
7 this subsection under one of the following methods:

8 (A) Full distributive share method. The electing
9 partnership shall compute and pay tax on the full
10 distributive share of net income allocable to each
11 partner who is an Illinois resident, notwithstanding
12 the apportionment provisions of Section 304. The
13 apportioned business income shall be used solely for
14 determining the tax due on behalf of nonresident

15 partners.

16 (B) Illinois-sourced income method. The electing
17 partnership shall compute and pay tax only on that
18 portion of each partner's distributive share of net
19 income that is derived from or attributable to sources
20 within this State, determined in accordance with
21 Section 304 and the rules adopted under that Section.

22 The election under this paragraph (2.1) shall be made
23 annually and shall apply to all partners of the
24 partnership for the taxable year. The method elected shall
25 be irrevocable for that taxable year. The Department shall
26 prescribe the manner and form of the election under this

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1 paragraph (2.1).

2 (3) Net income defined.

3 (A) In general. For purposes of paragraph (2), the
4 term net income has the same meaning as defined in
5 Section 202 of this Act, except that, for tax years
6 ending on or after December 31, 2023, a deduction
7 shall be allowed in computing base income for
8 distributions to a retired partner to the extent that
9 the partner's distributions are exempt from tax under
10 Section 203(a)(2)(F) of this Act. In addition, the
11 following modifications shall not apply:

12 (i) the standard exemption allowed under
13 Section 204;

14 (ii) the deduction for net losses allowed
15 under Section 207;

16 (iii) in the case of an S corporation, the
17 modification under Section 203(b)(2)(S); and

18 (iv) in the case of a partnership, the
19 modifications under Section 203(d)(2)(H) and
20 Section 203(d)(2)(I).

21 (B) Special rule for tiered partnerships. If a
22 taxpayer making the election under paragraph (1) is a
23 partner of another taxpayer making the election under
24 paragraph (1), net income shall be computed as
25 provided in subparagraph (A), except that the taxpayer
26 shall subtract its distributive share of the net

1 income of the electing partnership (including its
2 distributive share of the net income of the electing
3 partnership derived as a distributive share from
4 electing partnerships in which it is a partner).

5 (4) Credit for entity level tax. Each partner or
6 shareholder of a taxpayer making the election under this
7 Section shall be allowed a credit against the tax imposed
8 under subsections (a) and (b) of Section 201 of this Act
9 for the taxable year of the partnership or Subchapter S
10 corporation for which an election is in effect ending
11 within or with the taxable year of the partner or
12 shareholder in an amount equal to 4.95% times the partner
13 or shareholder's distributive share of the net income of
14 the electing partnership or Subchapter S corporation, but
15 not to exceed the partner's or shareholder's share of the
16 tax imposed under paragraph (1) which is actually paid by
17 the partnership or Subchapter S corporation. If the
18 taxpayer is a partnership or Subchapter S corporation that
19 is itself a partner of a partnership making the election
20 under paragraph (1), the credit under this paragraph shall
21 be allowed to the taxpayer's partners or shareholders (or
22 if the partner is a partnership or Subchapter S
23 corporation then its partners or shareholders) in
24 accordance with the determination of income and
25 distributive share of income under Sections 702 and 704
26 and Subchapter S of the Internal Revenue Code. If the

1 amount of the credit allowed under this paragraph exceeds
2 the partner's or shareholder's liability for tax imposed
3 under subsections (a) and (b) of Section 201 of this Act
4 for the taxable year, such excess shall be treated as an
5 overpayment for purposes of Section 909 of this Act.

6 (5) Nonresidents. A nonresident individual who is a

7 partner or shareholder of a partnership or Subchapter S
8 corporation for a taxable year for which an election is in
9 effect under paragraph (1) shall not be required to file
10 an income tax return under this Act for such taxable year
11 if the only source of net income of the individual (or the
12 individual and the individual's spouse in the case of a
13 joint return) is from an entity making the election under
14 paragraph (1) and the credit allowed to the partner or
15 shareholder under paragraph (4) equals or exceeds the
16 individual's liability for the tax imposed under
17 subsections (a) and (b) of Section 201 of this Act for the
18 taxable year.

19 (6) Liability for tax. Except as provided in this
20 paragraph, a partnership or Subchapter S making the
21 election under paragraph (1) is liable for the
22 entity-level tax imposed under paragraph (2). If the
23 electing partnership or corporation fails to pay the full
24 amount of tax deemed assessed under paragraph (2), the
25 partners or shareholders shall be liable to pay the tax
26 assessed (including penalties and interest). Each partner

1 or shareholder shall be liable for the unpaid assessment
2 based on the ratio of the partner's or shareholder's share
3 of the net income of the partnership over the total net
4 income of the partnership. If the partnership or
5 Subchapter S corporation fails to pay the tax assessed
6 (including penalties and interest) and thereafter an
7 amount of such tax is paid by the partners or
8 shareholders, such amount shall not be collected from the
9 partnership or corporation.

10 (7) Foreign tax. For purposes of the credit allowed
11 under Section 601(b)(3) of this Act, tax paid by a
12 partnership or Subchapter S corporation to another state
13 which, as determined by the Department, is substantially
14 similar to the tax imposed under this subsection, shall be
15 considered tax paid by the partner or shareholder to the
16 extent that the partner's or shareholder's share of the
17 income of the partnership or Subchapter S corporation
18 allocated and apportioned to such other state bears to the

total income of the partnership or Subchapter S corporation allocated or apportioned to such other state.

(8) Suspension of withholding. The provisions of Section 709.5 of this Act shall not apply to a partnership or Subchapter S corporation for the taxable year for which an election under paragraph (1) is in effect.

(9) Requirement to pay estimated tax. For each taxable year for which an election under paragraph (1) is in

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effect, a partnership or Subchapter S corporation is required to pay estimated tax for such taxable year under Sections 803 and 804 of this Act if the amount payable as estimated tax can reasonably be expected to exceed \$500.

(10) The provisions of this subsection shall apply only with respect to taxable years for which the limitation on individual deductions applies under Section 164(b)(6) of the Internal Revenue Code.

(Source: P.A. 103-9, eff. 6-7-23; 103-396, eff. 1-1-24; 103-595, eff. 6-26-24; 103-605, eff. 7-1-24; 104-453, eff. 12-12-25.)

ARTICLE 140

Section 140-5. The Illinois Administrative Procedure Act is amended by adding Section 5-45.71 as follows:

(5 ILCS 100/5-45.71 new)

Sec. 5-45.71. Emergency rulemaking; Illinois Gaming Board. To provide for the expeditious and timely implementation of Sections 25-120 through 25-120.8 of the Sports Wagering Act, emergency rules implementing Sections 25-120 through 25-120.8 of the Sports Wagering Act may be adopted in accordance with Section 5-45 by the Illinois Gaming Board. The adoption of emergency rules authorized by Section 5-45 and this Section is deemed to be necessary for the public interest, safety, and

1 welfare.

2 This Section is repealed one year after the effective date
3 of this amendatory Act of the 104th General Assembly.

4 Section 140-10. The Sports Wagering Act is amended by
5 changing Sections 25-10, 25-25, 25-45, and 25-100 and by
6 adding Sections 25-120, 25-120.1, 25-120.2, 25-120.3,
7 25-120.4, 25-120.5, 25-120.6, 25-120.7, and 25-120.8 as
8 follows:

9 (230 ILCS 45/25-10)

10 Sec. 25-10. Definitions. As used in this Act:

11 "Adjusted gross sports wagering receipts" means a master
12 sports wagering licensee's gross sports wagering receipts,
13 less winnings paid to wagerers in such games.

14 "Athlete" means any current or former professional athlete
15 or collegiate athlete.

16 "Board" means the Illinois Gaming Board.

17 "Covered persons" includes athletes; umpires, referees,
18 and officials; personnel associated with clubs, teams,
19 leagues, and athletic associations; medical professionals
20 (including athletic trainers) who provide services to athletes
21 and players; and the family members and associates of these
22 persons where required to serve the purposes of this Act.

23 "Department" means the Department of the Lottery.

24 "Gaming facility" means a facility at which gambling

1 operations are conducted under the Illinois Gambling Act,
2 pari-mutuel wagering is conducted under the Illinois Horse
3 Racing Act of 1975, or sports wagering is conducted under this
4 Act.

5 "Official league data" means statistics, results,
6 outcomes, and other data related to a sports event obtained
7 pursuant to an agreement with the relevant sports governing
8 body, or an entity expressly authorized by the sports
9 governing body to provide such information to licensees, that
10 authorizes the use of such data for determining the outcome of

11 tier 2 sports wagers on such sports events.
12 "Organization licensee" has the meaning given to that term
13 in the Illinois Horse Racing Act of 1975.
14 "Owners licensee" means the holder of an owners license
15 under the Illinois Gambling Act.
16 "Person" means an individual, partnership, committee,
17 association, corporation, or any other organization or group
18 of persons.
19 "Personal biometric data" means an athlete's information
20 derived from DNA, heart rate, blood pressure, perspiration
21 rate, internal or external body temperature, hormone levels,
22 glucose levels, hydration levels, vitamin levels, bone
23 density, muscle density, and sleep patterns.
24 "Prohibited conduct" includes any statement, action, and
25 other communication intended to influence, manipulate, or
26 control a betting outcome of a sporting contest or of any

1 individual occurrence or performance in a sporting contest in
2 exchange for financial gain or to avoid financial or physical
3 harm. "Prohibited conduct" includes statements, actions, and
4 communications made to a covered person by a third party, such
5 as a family member or through social media. "Prohibited
6 conduct" does not include statements, actions, or
7 communications made or sanctioned by a team or sports
8 governing body.
9 "Qualified applicant" means an applicant for a license
10 under this Act whose application meets the mandatory minimum
11 qualification criteria as required by the Board.
12 "Sporting contest" means a sports event or game on which
13 the State allows sports wagering to occur under this Act.
14 "Sports event" means a professional sport or athletic
15 event, a collegiate sport or athletic event, a motor race
16 event, or any other event or competition of relative skill
17 authorized by the Board under this Act.
18 "Sports facility" means a facility that hosts sports
19 events and holds a seating capacity greater than 17,000
20 persons, except in a municipality with a population of more
21 than 1,000,000, a seating capacity greater than 10,000
22 persons.

23 "Sports governing body" means the organization that
24 prescribes final rules and enforces codes of conduct with
25 respect to a sports event and participants therein.
26 "Sports wagering" means accepting wagers on sports events

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1 or portions of sports events, or on the individual performance
2 statistics of athletes in a sports event or combination of
3 sports events, by any system or method of wagering, including,
4 but not limited to, in person or over the Internet through
5 websites and on mobile devices. "Sports wagering" includes,
6 but is not limited to, single-game bets, teaser bets, parlays,
7 over-under, moneyline, pools, exchange wagering, in-game
8 wagering, in-play bets, proposition bets, and straight bets.
9 "Sports wagering" does not include fantasy contests as that
10 term is defined in Section 25-120.1.

11 "Sports wagering account" means a financial record
12 established by a master sports wagering licensee for an
13 individual patron in which the patron may deposit and withdraw
14 funds for sports wagering and other authorized purchases and
15 to which the master sports wagering licensee may credit
16 winnings or other amounts due to that patron or authorized by
17 that patron.

18 "Tier 1 sports wager" means a sports wager that is
19 determined solely by the final score or final outcome of the
20 sports event and is placed before the sports event has begun.

21 "Tier 2 sports wager" means a sports wager that is not a
22 tier 1 sports wager.

23 "Wager" means a sum of money or thing of value risked on an
24 uncertain occurrence.

25 ~~"Winning bidder" means a qualified applicant for a master~~
26 ~~sports wagering license chosen through the competitive~~

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1 ~~selection process under Section 25-45.~~

2 (Source: P.A. 101-31, eff. 6-28-19; 102-689, eff. 12-17-21.)

3 (230 ILCS 45/25-25)

4 Sec. 25-25. Sports wagering authorized.

5 (a) Notwithstanding any provision of law to the contrary,
6 the operation of sports wagering is only lawful when conducted
7 in accordance with the provisions of this Act and the rules of
8 the Illinois Gaming Board and the Department of the Lottery.

9 (b) A person placing a wager under this Act shall be at
10 least 21 years of age.

11 (c) A licensee under this Act may not accept a wager on a
12 minor league sports event.

13 (d) Except as otherwise provided in this Section, a
14 licensee under this Act may not accept a wager for a sports
15 event involving an Illinois collegiate team.

16 (d-5) Beginning on the effective date of this amendatory
17 Act of the 102nd General Assembly until July 1, 2024, a
18 licensee under this Act may accept a wager for a sports event
19 involving an Illinois collegiate team if:

20 (1) the wager is a tier 1 wager;

21 (2) the wager is not related to an individual
22 athlete's performance; and

23 (3) the wager is made in person instead of over the
24 Internet or through a mobile application.

25 (e) A licensee under this Act may only accept a wager from

1 a person physically located in the State.

2 (f) Master sports wagering licensees may use any data
3 source for determining the results of all tier 1 sports
4 wagers.

5 (g) A sports governing body headquartered in the United
6 States may notify the Board that it desires to supply official
7 league data to master sports wagering licensees for
8 determining the results of tier 2 sports wagers. Such
9 notification shall be made in the form and manner as the Board
10 may require. If a sports governing body does not notify the
11 Board of its desire to supply official league data, a master
12 sports wagering licensee may use any data source for
13 determining the results of any and all tier 2 sports wagers on

14 sports contests for that sports governing body.
15 Within 30 days of a sports governing body notifying the
16 Board, master sports wagering licensees shall use only
17 official league data to determine the results of tier 2 sports
18 wagers on sports events sanctioned by that sports governing
19 body, unless: (1) the sports governing body or designee cannot
20 provide a feed of official league data to determine the
21 results of a particular type of tier 2 sports wager, in which
22 case master sports wagering licensees may use any data source
23 for determining the results of the applicable tier 2 sports
24 wager until such time as such data feed becomes available on
25 commercially reasonable terms; or (2) a master sports wagering
26 licensee can demonstrate to the Board that the sports

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1 governing body or its designee cannot provide a feed of
2 official league data to the master sports wagering licensee on
3 commercially reasonable terms. During the pendency of the
4 Board's determination, such master sports wagering licensee
5 may use any data source for determining the results of any and
6 all tier 2 sports wagers.

7 (h) A licensee under this Act may not accept wagers on a
8 kindergarten through 12th grade sports event.

9 (i) A licensee may offer pool sports wagering to State
10 patrons where State patrons compete against patrons located
11 outside of the State. In such cases, the pool must be expressly
12 permitted in all jurisdictions in which it is offered and must
13 comply with all laws, rules, and regulations in all
14 jurisdictions in which it is offered. The adjusted gross
15 sports wagering receipts of an interstate pool shall be
16 determined by the total value of all wagers placed in the State
17 less the proportional pro rata value of all winnings paid to
18 patrons. The pro rata value of all winnings shall be
19 determined by the ratio of the total value of all wagers placed
20 in the State divided by the total value of all wagers placed in
21 the pool, to the nearest .01%.

22 (Source: P.A. 102-689, eff. 12-17-21; 103-4, eff. 5-31-23.)

23 (230 ILCS 45/25-45)

24 Sec. 25-45. Master sports wagering license issued to an

1 (a) The Board may issue master sports wagering licenses to
2 persons to conduct sports wagering over the Internet or
3 through a mobile application. The Board shall issue 3 master
4 sports wagering licenses to online sports wagering operators
5 for a nonrefundable license fee of \$20,000,000 pursuant to an
6 open and competitive selection process. The master sports
7 wagering license issued under this Section may be renewed
8 every 4 years upon payment of a \$1,000,000 renewal fee. To the
9 extent permitted by federal and State law, the Board shall
10 actively seek to achieve racial, ethnic, and geographic
11 diversity when issuing master sports wagering licenses under
12 this Section and encourage minority-owned businesses,
13 women-owned businesses, veteran-owned businesses, and
14 businesses owned by persons with disabilities to apply for
15 licensure.

16 For the purposes of this subsection (a), "minority-owned
17 business", "women-owned business", and "business owned by
18 persons with disabilities" have the meanings given to those
19 terms in Section 2 of the Business Enterprise for Minorities,
20 Women, and Persons with Disabilities Act.

21 (b) Applicants shall pay to the Board a nonrefundable
22 application fee in the amount of \$250,000. The initial license
23 fee for a master sports wagering license issued to an online
24 sports wagering operator is \$15,000,000. The master sports
25 wagering license is valid for 4 years. Applications for the
26 initial competitive selection occurring after the effective

1 date of this Act shall be received by the Board within 540 days
2 after the first license is issued under this Act to qualify.
3 The Board shall announce the winning bidders for the initial
4 competitive selection within 630 days after the first license
5 is issued under this Act, and this time frame may be extended

6 ~~at the discretion of the Board.~~

7 (c) ~~A licensee may renew the master sports wagering~~
8 ~~license for a period of 4 years by paying a \$1,000,000 renewal~~
9 ~~fee to the Board. The Board shall provide public notice of its~~
10 ~~intent to solicit applications for master sports wagering~~
11 ~~licenses under this Section by posting the notice, application~~
12 ~~instructions, and materials on its website for at least 30~~
13 ~~calendar days before the applications are due. Failure by an~~
14 ~~applicant to submit all required information may result in the~~
15 ~~application being disqualified. The Board may notify an~~
16 ~~applicant that its application is incomplete and provide an~~
17 ~~opportunity to cure by rule. Application instructions shall~~
18 ~~include a brief overview of the selection process and how~~
19 ~~applications are scored.~~

20 (d) ~~A master sports wagering licensee may conduct sports~~
21 ~~wagering over the Internet or through a mobile application. To~~
22 ~~be eligible for a master sports wagering license under this~~
23 ~~Section, an applicant must: (1) be at least 21 years of age;~~
24 ~~(2) not have been convicted of a felony offense or a violation~~
25 ~~of Article 28 of the Criminal Code of 1961 or the Criminal Code~~
26 ~~of 2012 or a similar statute of any other jurisdiction; (3) not~~

1 ~~have been convicted of a crime involving dishonesty or moral~~
2 ~~turpitude; (4) have demonstrated a level of skill or knowledge~~
3 ~~that the Board determines to be necessary in order to operate~~
4 ~~sports wagering; and (5) have met standards for the holding of~~
5 ~~a license as adopted by rules of the Board.~~

6 ~~The Board may adopt rules to establish additional~~
7 ~~qualifications and requirements to preserve the integrity and~~
8 ~~security of sports wagering in this State and to promote and~~
9 ~~maintain a competitive sports wagering market. After the close~~
10 ~~of the application period, the Board shall determine whether~~
11 ~~the applications meet the mandatory minimum qualification~~
12 ~~criteria and conduct a comprehensive, fair, and impartial~~
13 ~~evaluation of all qualified applications.~~

14 (e) ~~(Blank). The Board shall open all qualified~~
15 ~~applications in a public forum and disclose the applicants'~~
16 ~~names. The Board shall summarize the terms of the proposals~~
17 ~~and make the summaries available to the public on its website.~~

18 (f) ~~(Blank). Not more than 90 days after the publication~~
19 ~~of the qualified applications, the Board shall identify the~~
20 ~~winning bidders. In granting the licenses, the Board may give~~
21 ~~favorable consideration to qualified applicants presenting~~
22 ~~plans that provide for economic development and community~~
23 ~~engagement. To the extent permitted by federal and State law,~~
24 ~~the Board may give favorable consideration to qualified~~
25 ~~applicants demonstrating commitment to diversity in the~~
26 ~~workplace.~~

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1 (g) ~~(Blank). Upon selection of the winning bidders, the~~
2 ~~Board shall have a reasonable period of time to ensure~~
3 ~~compliance with all applicable statutory and regulatory~~
4 ~~criteria before issuing the licenses. If the Board determines~~
5 ~~a winning bidder does not satisfy all applicable statutory and~~
6 ~~regulatory criteria, the Board shall select another bidder~~
7 ~~from the remaining qualified applicants.~~

8 (h) ~~(Blank). Nothing in this Section is intended to confer~~
9 ~~a property or other right, duty, privilege, or interest~~
10 ~~entitling an applicant to an administrative hearing upon~~
11 ~~denial of an application.~~

12 (i) ~~(Blank). Upon issuance of a master sports wagering~~
13 ~~license to a winning bidder, the information and plans~~
14 ~~provided in the application become a condition of the license.~~
15 ~~A master sports wagering licensee under this Section has a~~
16 ~~duty to disclose any material changes to the application.~~
17 ~~Failure to comply with the conditions or requirements in the~~
18 ~~application may subject the master sports wagering licensee~~
19 ~~under this Section to discipline, including, but not limited~~
20 ~~to, fines, suspension, and revocation of its license, pursuant~~
21 ~~to rules adopted by the Board.~~

22 (j) ~~(Blank). The Board shall disseminate information about~~
23 ~~the licensing process through media demonstrated to reach~~
24 ~~large numbers of business owners and entrepreneurs who are~~
25 ~~minorities, women, veterans, and persons with disabilities.~~

26 (k) ~~(Blank). The Department of Commerce and Economic~~

~~1 Opportunity, in conjunction with the Board, shall conduct~~
~~2 ongoing, thorough, and comprehensive outreach to businesses~~
~~3 owned by minorities, women, veterans, and persons with~~
~~4 disabilities about contracting and entrepreneurial~~
~~5 opportunities in sports wagering. This outreach shall include,~~
~~6 but not be limited to:~~

~~7 (1) cooperating and collaborating with other State~~
~~8 boards, commissions, and agencies; public and private~~
~~9 universities and community colleges; and local governments~~
~~10 to target outreach efforts; and~~

~~11 (2) working with organizations serving minorities,~~
~~12 women, and persons with disabilities to establish and~~
~~13 conduct training for employment in sports wagering.~~

~~14 (l) (Blank). The Board shall partner with the Department~~
~~15 of Labor, the Department of Financial and Professional~~
~~16 Regulation, and the Department of Commerce and Economic~~
~~17 Opportunity to identify employment opportunities within the~~
~~18 sports wagering industry for job seekers and dislocated~~
~~19 workers.~~

~~20 (m) By March 1, 2020, the Board shall prepare a request for~~
~~21 proposals to conduct a study of the online sports wagering~~
~~22 industry and market to determine whether there is a compelling~~
~~23 interest in implementing remedial measures, including the~~
~~24 application of the Business Enterprise Program under the~~
~~25 Business Enterprise for Minorities, Women, and Persons with~~
~~26 Disabilities Act or a similar program to assist minorities,~~

~~1 women, and persons with disabilities in the sports wagering~~
~~2 industry.~~

~~3 As a part of the study, the Board shall evaluate race and~~
~~4 gender-neutral programs or other methods that may be used to~~
~~5 address the needs of minority and women applicants and~~
~~6 minority-owned and women-owned businesses seeking to~~

7 participate in the sports wagering industry. The Board shall
8 submit to the General Assembly and publish on its website the
9 results of this study by August 1, 2020.

10 ~~If, as a result of the study conducted under this~~
11 ~~subsection (m), the Board finds that there is a compelling~~
12 ~~interest in implementing remedial measures, the Board may~~
13 ~~adopt rules, including emergency rules, to implement remedial~~
14 ~~measures, if necessary and to the extent permitted by State~~
15 ~~and federal law, based on the findings of the study conducted~~
16 ~~under this subsection (m).~~

17 (Source: P.A. 101-31, eff. 6-28-19.)

18 (230 ILCS 45/25-100)

19 Sec. 25-100. Voluntary self-exclusion program for sports
20 wagering and fantasy contests. Any resident, or non-resident
21 if allowed to participate in sports wagering or fantasy
22 contests, may voluntarily prohibit himself or herself from
23 establishing a sports wagering account or fantasy contest
24 account with a licensee under this Act. The Board and
25 Department shall incorporate the voluntary self-exclusion

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1 program for sports wagering and fantasy contests into any
2 existing self-exclusion program that it operates on the
3 effective date of this Act.

4 (Source: P.A. 101-31, eff. 6-28-19.)

5 (230 ILCS 45/25-120 new)

6 Sec. 25-120. Fantasy contests; legislative intent. Fantasy
7 contests are legally distinct from sports wagering.
8 Nonetheless, the State seeks to ensure both public confidence
9 and trust in the credibility and integrity of fantasy
10 contests, as well as to protect the public health and general
11 welfare of the people of the State. Therefore, regulatory
12 provisions of this Act are designed to strictly regulate the
13 facilities, persons, associations, and practices related to
14 fantasy contest operations pursuant to the police powers of
15 the State, including comprehensive law enforcement
16 supervision.

17 (230 ILCS 45/25-120.1 new)
18 Sec. 25-120.1. Definitions. As used in Sections 25-120
19 through 25-120.8:
20 "Adjusted gross fantasy contest receipts" means the total
21 gross entry fees collected from fantasy contest participants
22 in the State, less the in-state participant pro rata share of
23 the total cash prizes paid to any participants in those
24 contests.

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1 "Entry fee" means a nonrefundable cash fee that is paid by
2 or on behalf of a participant, or any other entry method
3 obtained for monetary consideration by the participant and set
4 in advance by a fantasy contest operator granting the
5 participant the right to participate in a fantasy contest.

6 "Fantasy contest" means an online contest of skill between
7 2 or more participants with an entry fee where:

8 (1) the values of all prizes offered to a winning
9 participant are established and made known to the
10 participant in advance of the contest;

11 (2) all winning outcomes reflect the relative
12 knowledge and skill of the participant;

13 (3) the participant assembles, owns, or manages a
14 fictional entry or roster of actual professional or
15 amateur athletes, in real-world sports events, or other
16 event or competition of relative skill authorized by the
17 Board;

18 (4) a participant competes for prizes awarded by a
19 fantasy contest operator based on terms and conditions
20 published by the fantasy contest operator and made known
21 to the participant in advance of the contest;

22 (5) winning outcomes are determined solely by clearly
23 preestablished, objective scoring criteria based on one or
24 more statistical results of the performance of an
25 individual athlete, including, but not limited to, a
26 fantasy score; and

1 (6) no winning outcome is entirely based on the score,
2 point spread, or any performance of any single actual team
3 or combination of teams or solely on any single
4 performance of an individual athlete or player in any
5 single actual event.

6 "Fantasy contest" does not include pool sports wagering
7 conducted in accordance with subsection (i) of Section 25-25
8 of the Sports Wagering Act, single-participant contests played
9 against a fantasy contest operator, or contests without an
10 entry fee.

11 "Fantasy contest operator" means a person or entity that
12 offers fantasy contests to members of the public. "Fantasy
13 contest operator" does not include an Internet service
14 provider or a provider of mobile data services merely as a
15 result of that entity's transporting general traffic that may
16 include a fantasy contest.

17 "Large fantasy contest operator" means a fantasy contest
18 operator that had more than 7,500 patrons over the preceding
19 365-day period.

20 "Participant" means an individual who participates in a
21 fantasy contest offered by a fantasy contest operator.

22 "Small fantasy contest operator" means a fantasy contest
23 operator that had 7,500 or fewer patrons over the preceding
24 365-day period.

25 (230 ILCS 45/25-120.2 new)

1 Sec. 25-120.2. Board powers.

2 (a) The Board may regulate the conduct of fantasy contest
3 operators under this Act.

4 (b) The Board shall adopt any rules the Board considers
5 necessary for the successful implementation, administration,
6 and enforcement of this Act. Rules proposed by the Board may be
7 adopted as emergency rules under Section 5-45 of the Illinois
8 Administrative Procedure Act.

9 (c) The Board shall levy and collect all fees, surcharges,
10 civil penalties, and, on adjusted gross fantasy contest

11 receipts imposed under this Act, monthly taxes as follows:

12 (1) All application, licensing, and renewal fees
13 collected under this Act shall be deposited in the State
14 Gaming Fund.

15 (2) All taxes collected under Section 25-120.6 shall
16 be deposited into the State Gaming Fund.

17 (3) All civil penalties or fines levied under this
18 Section shall be deposited in accordance with the Illinois
19 Gambling Act.

20 (d) The Board may exercise any other powers necessary to
21 enforce the provisions of this Act that it regulates and the
22 rules of the Board.

23 (e) The Board and fantasy contest operator licensees may
24 cooperate with investigations conducted by law enforcement
25 agencies, including, but not limited to, providing and
26 facilitating the provision of account-level entry and

1 participation information.

2 (230 ILCS 45/25-120.3 new)

3 Sec. 25-120.3. Licensure required.

4 (a) Except as otherwise provided in this Section, a person
5 may not offer fantasy contests in this State unless the person
6 is licensed by the Board as a fantasy contest operator. No
7 party other than an owner or key person of a licensee may
8 receive revenue share from the operation of fantasy contests
9 without holding a fantasy contest operator license. A person
10 that knowingly offers fantasy contests in violation of this
11 subsection is guilty of a Class 4 felony.

12 (b) A fantasy contest operator that was offering contests
13 to persons located in the State before the effective date of
14 this amendatory Act of the 104th General Assembly may continue
15 to offer contests to persons located in the State until 90 days
16 after the effective date of rules implementing this amendatory
17 Act of the 104th General Assembly. The Board shall issue a
18 temporary operating permit to a fantasy contest operator that
19 was offering contests to persons located in this State before
20 the effective date of this amendatory Act of the 104th General
21 Assembly if the fantasy contest operator files an application

22 for licensure with the Board and pays the required license
23 application fee within 90 days of the effective date of rules
24 implementing this amendatory Act of the 104th General
25 Assembly, subject to Board rules. A holder of a temporary

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1 operating permit may continue to offer fantasy sports contests
2 until a final licensing decision is made by the Board.

3 (c) The burden is upon each applicant to demonstrate the
4 applicant's suitability for licensure. An applicant for a
5 license issued under this Act shall submit an application to
6 the Board in the form the Board requires. Each person seeking
7 licensure shall submit to a background investigation conducted
8 by the Board with the assistance of the Illinois State Police
9 or other law enforcement.

10 (1) To the extent that the corporate structure of the
11 applicant allows, the background investigation shall
12 include any or all of the following as the Board deems
13 appropriate or as provided by rule for each category of
14 licensure:

15 (A) each beneficiary of a trust;

16 (B) each partner of a partnership;

17 (C) each member of a limited liability company;

18 (D) each director and officer of a publicly or
19 nonpublicly held corporation;

20 (E) each stockholder of a nonpublicly held
21 corporation;

22 (F) each stockholder of 5% or more of a publicly
23 held corporation; or

24 (G) each stockholder of 5% or more in a parent or
25 subsidiary corporation.

26 (2) Each applicant shall disclose the identity of

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1 every person, association, trust, corporation, or limited
2 liability company having a greater than 1% direct or

indirect pecuniary interest in the fantasy contest for which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a limited liability company, the names and addresses of all members; or if a partnership, the names and addresses of all partners, both general and limited.

(d) To be eligible for a fantasy contest operator license under this Section, an applicant and its key persons must at minimum:

(1) be at least 21 years of age;

(2) not have been convicted of a felony offense or a violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012 or a similar statute of any other jurisdiction;

(3) not have been convicted of a crime involving dishonesty or moral turpitude;

(4) have demonstrated a level of skill or knowledge that the Board determines to be necessary in order to operate fantasy contests; and

(5) have met standards for the holding of a license as adopted by rules of the Board.

(e) No person may be licensed if that person has been found

by the Board to:

(1) have a background, including a criminal record, reputation, habits, social or business associations, or prior activities that pose a threat to the public interests of the State or to the security and integrity of fantasy contest operations;

(2) create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of fantasy contest operations; or

(3) present questionable business practices and financial arrangements incidental to the conduct of fantasy contest operations.

(f) An applicant shall not be denied licensure on the basis of having previously offered or conducted single-player

15 contests against the operator, so long as no such contests
16 were offered by the applicant after the effective date of this
17 amendatory Act of the 104th General Assembly.

18 (g) On receipt of a completed application and the required
19 fee, the Board shall conduct the necessary background
20 investigation to determine if the applicant meets the
21 qualifications for licensure. On completion of the necessary
22 background investigation, the Board shall either issue a
23 license or deny the application. The Board shall establish
24 procedures to conduct hearings for any person denied
25 licensure.

26 (h) The Board has designated 2 categories of fantasy

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1 contest operator, a large fantasy contest operator and a small
2 fantasy contest operator. A small fantasy contest operator
3 shall pay an application and initial license fee of \$500 at the
4 time of application. A large fantasy contest operator shall
5 pay an application and initial license fee of \$7,500 at the
6 time of application.

7 (i) The term of an initial license shall be 2 years.

8 (j) A large fantasy contest operator shall pay a fantasy
9 contest operator license renewal fee of \$5,000 within 30 days
10 of the renewal of a license. A small fantasy contest operator
11 shall pay a fantasy contest operator license renewal fee of
12 \$300 within 30 days of the renewal of a license. The license
13 shall be renewed every 2 years.

14 (230 ILCS 45/25-120.4 new)

15 Sec. 25-120.4. Conduct of contests.

16 (a) Any fantasy contest conducted under this Act does not
17 constitute gambling for any purpose, including under Article
18 28 of the Criminal Code of 1961 or the Criminal Code of 2012.

19 (b) A person participating in a fantasy contest under this
20 Act shall be at least 21 years of age.

21 (c) A licensee under this Act may only accept an entry from
22 a person physically located in the State. A fantasy contest
23 operator must use a geolocation system to ensure that a
24 participant is physically present in the State when
25 participating in the fantasy contest unless otherwise

1 authorized by the Board.

2 (e) No athlete, competitor, referee, official, coach,
3 manager, medical professional, or athletic trainer or employee
4 or contractor of a team or athletic organization who has
5 access to nonpublic information concerning an athlete or team
6 may engage in fantasy contests involving an event or the
7 performance of an individual in an event in which the person is
8 participating or otherwise has access to nonpublic or
9 exclusive information.

10 (f) No key person or employee of a fantasy contest
11 operator licensee may participate in fantasy contests offered
12 by licensee.

13 (230 ILCS 45/25-120.5 new)

14 Sec. 25-120.5. Duties of licensees.

15 (a) Licensees shall comply with all applicable anti-money
16 laundering standards.

17 (b) Licensees have an affirmative duty to prevent underage
18 participation in fantasy contents. Licensees shall establish
19 technical and operational measures to prevent underage
20 participation in a fantasy contest.

21 (c) Licensees shall implement identity verification
22 procedures, consistent with modern best practices, to verify
23 an individual's personally identifiable information and can
24 detect potential prohibited participants.

25 (d) Licensees shall employ mechanisms on the operator's

1 platform that are designed to detect and prevent unauthorized
2 accounts and to detect and prevent fraud, money laundering,
3 and collusion.

4 (e) Licensees shall implement geolocation technology to
5 verify that a participant is not accessing the platform from a
6 restricted jurisdiction.

7 (f) Licensees shall make all reasonable efforts to
8 promptly notify the Board of any information relating to:
9 (1) a confirmed breach of the relevant sport's
10 governing body's internal rules and codes of conduct
11 pertaining to participation in real-money fantasy
12 contests;
13 (2) any conduct that corrupts any outcome related to a
14 sports event or sports events for purposes of financial
15 gain, including match fixing; and
16 (3) suspected illegal activities, including use of
17 funds derived from illegal activity, entries to conceal or
18 launder funds derived from illegal activity,
19 multi-accounting, and using false identification.

20 (230 ILCS 45/25-120.6 new)

21 Sec. 25-120.6. Audits and recordkeeping.

22 (a) Licensees shall contract with a certified public
23 accountant to conduct an annual independent audit consistent
24 with generally accepted accounting principles and any
25 additional standards adopted by the Board.

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1 (b) A licensee's fantasy contest platform must be tested
2 and certified by an independent outside testing laboratory
3 approved by the Board prior to commencement of fantasy
4 contests under this Act. The licensee shall have the fantasy
5 contest platform re-tested and certified on an annual basis.

6 (c) Each licensee shall maintain in a place, secure from
7 theft, loss, or destruction, adequate records of business
8 operations that shall be made available to the Board upon
9 request. These records shall be held for at least as long as
10 prescribed by the records retention schedule published by the
11 Board, or longer if otherwise prescribed by general accounting
12 and auditing procedures, litigation needs, or State or federal
13 law. These records shall be maintained in a manner accessible
14 to the Board or in a digital format prescribed by the Board.

15 (230 ILCS 45/25-120.7 new)

16 Sec. 25-120.7. Tax. Beginning on July 1, 2026, and for
17 each 12-month period thereafter, for the privilege of holding

18 a license to operate fantasy contests under this Act, this
19 State shall impose a privilege tax of 15% on the fantasy
20 contest operator licensee's adjusted gross fantasy contest
21 receipts.

22 (230 ILCS 45/25-120.8 new)

23 Sec. 25-120.8. Responsible gaming.

24 (a) Each fantasy contest operator shall include a

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1 statement regarding obtaining assistance with gambling
2 problems, the text of which shall be determined by rule by the
3 Department of Human Services, on the licensee's portal,
4 Internet website, or computer or mobile application.

5 (b) Any resident, or nonresident if allowed to participate
6 in fantasy contests, may voluntarily prohibit themselves from
7 establishing an account with a licensee under this Act. The
8 Board shall incorporate the voluntary self-exclusion program
9 for fantasy contests into any existing self-exclusion program
10 that it operates on the effective date of this amendatory Act
11 of the 104th General Assembly.

12 Section 140-15. The Criminal Code of 2012 is amended by
13 changing Section 28-1 and 28-8 as follows:

14 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

15 Sec. 28-1. Gambling.

16 (a) A person commits gambling when he or she:

17 (1) knowingly plays a game of chance or skill for
18 money or other thing of value, unless excepted in
19 subsection (b) of this Section;

20 (2) knowingly makes a wager upon the result of any
21 game, contest, or any political nomination, appointment or
22 election;

23 (3) knowingly operates, keeps, owns, uses, purchases,
24 exhibits, rents, sells, bargains for the sale or lease of,

1 manufactures or distributes any gambling device;

2 (4) contracts to have or give himself or herself or
3 another the option to buy or sell, or contracts to buy or
4 sell, at a future time, any grain or other commodity
5 whatsoever, or any stock or security of any company, where
6 it is at the time of making such contract intended by both
7 parties thereto that the contract to buy or sell, or the
8 option, whenever exercised, or the contract resulting
9 therefrom, shall be settled, not by the receipt or
10 delivery of such property, but by the payment only of
11 differences in prices thereof; however, the issuance,
12 purchase, sale, exercise, endorsement or guarantee, by or
13 through a person registered with the Secretary of State
14 pursuant to Section 8 of the Illinois Securities Law of
15 1953, or by or through a person exempt from such
16 registration under said Section 8, of a put, call, or
17 other option to buy or sell securities which have been
18 registered with the Secretary of State or which are exempt
19 from such registration under Section 3 of the Illinois
20 Securities Law of 1953 is not gambling within the meaning
21 of this paragraph (4);

22 (5) knowingly owns or possesses any book, instrument
23 or apparatus by means of which bets or wagers have been, or
24 are, recorded or registered, or knowingly possesses any
25 money which he has received in the course of a bet or
26 wager;

1 (6) knowingly sells pools upon the result of any game
2 or contest of skill or chance, political nomination,
3 appointment or election;

4 (7) knowingly sets up or promotes any lottery or
5 sells, offers to sell or transfers any ticket or share for
6 any lottery;

7 (8) knowingly sets up or promotes any policy game or
8 sells, offers to sell or knowingly possesses or transfers
9 any policy ticket, slip, record, document or other similar
10 device;

11 (9) knowingly drafts, prints or publishes any lottery
12 ticket or share, or any policy ticket, slip, record,
13 document or similar device, except for such activity
14 related to lotteries, bingo games and raffles authorized
15 by and conducted in accordance with the laws of Illinois
16 or any other state or foreign government;

17 (10) knowingly advertises any lottery or policy game,
18 except for such activity related to lotteries, bingo games
19 and raffles authorized by and conducted in accordance with
20 the laws of Illinois or any other state;

21 (11) knowingly transmits information as to wagers,
22 betting odds, or changes in betting odds by telephone,
23 telegraph, radio, semaphore or similar means; or knowingly
24 installs or maintains equipment for the transmission or
25 receipt of such information; except that nothing in this
26 subdivision (11) prohibits transmission or receipt of such

1 information for use in news reporting of sporting events
2 or contests; or

3 (12) knowingly establishes, maintains, or operates an
4 Internet site that permits a person to play a game of
5 chance or skill for money or other thing of value by means
6 of the Internet or to make a wager upon the result of any
7 game, contest, political nomination, appointment, or
8 election by means of the Internet. This item (12) does not
9 apply to activities referenced in items (6), (6.1), (8),
10 (8.1), and (15) of subsection (b) of this Section.

11 (b) Participants in any of the following activities shall
12 not be convicted of gambling:

13 (1) Agreements to compensate for loss caused by the
14 happening of chance including without limitation contracts
15 of indemnity or guaranty and life or health or accident
16 insurance.

17 (2) Offers of prizes, award or compensation to the
18 actual contestants in any bona fide contest for the
19 determination of skill, speed, strength or endurance or to
20 the owners of animals or vehicles entered in such contest.

21 (3) Pari-mutuel betting as authorized by the law of
22 this State.

23 (4) Manufacture of gambling devices, including the
24 acquisition of essential parts therefor and the assembly
25 thereof, for transportation in interstate or foreign
26 commerce to any place outside this State when such

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1 transportation is not prohibited by any applicable Federal
2 law; or the manufacture, distribution, or possession of
3 video gaming terminals, as defined in the Video Gaming
4 Act, by manufacturers, distributors, and terminal
5 operators licensed to do so under the Video Gaming Act.

6 (5) The game commonly known as "bingo", when conducted
7 in accordance with the Bingo License and Tax Act.

8 (6) Lotteries when conducted by the State of Illinois
9 in accordance with the Illinois Lottery Law. This
10 exemption includes any activity conducted by the
11 Department of Revenue to sell lottery tickets pursuant to
12 the provisions of the Illinois Lottery Law and its rules.

13 (6.1) The purchase of lottery tickets through the
14 Internet for a lottery conducted by the State of Illinois
15 under the program established in Section 7.12 of the
16 Illinois Lottery Law.

17 (7) Possession of an antique slot machine that is
18 neither used nor intended to be used in the operation or
19 promotion of any unlawful gambling activity or enterprise.
20 For the purpose of this subparagraph (b)(7), an antique
21 slot machine is one manufactured 25 years ago or earlier.

22 (8) Raffles and poker runs when conducted in
23 accordance with the Raffles and Poker Runs Act.

24 (8.1) The purchase of raffle chances for a raffle
25 conducted in accordance with the Raffles and Poker Runs
26 Act.

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1 (9) Charitable games when conducted in accordance with
2 the Charitable Games Act.

3 (10) Pull tabs and jar games when conducted under the
4 Illinois Pull Tabs and Jar Games Act.

5 (11) Gambling games when authorized by the Illinois
6 Gambling Act.

7 (12) Video gaming terminal games at a licensed
8 establishment, licensed truck stop establishment, licensed
9 large truck stop establishment, licensed fraternal
10 establishment, or licensed veterans establishment when
11 conducted in accordance with the Video Gaming Act.

12 (13) Games of skill or chance where money or other
13 things of value can be won but no payment or purchase is
14 required to participate.

15 (14) Savings promotion raffles authorized under
16 Section 5g of the Illinois Banking Act, Section 7008 of
17 the Savings Bank Act, Section 42.7 of the Illinois Credit
18 Union Act, Section 5136B of the National Bank Act (12
19 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12
20 U.S.C. 1463).

21 (15) Sports wagering when conducted in accordance with
22 the Sports Wagering Act.

23 (16) Fantasy contests conducted in accordance with
24 Sections 25-120 through 25-120.8 of the Sports Wagering
25 Act.

26 (c) Sentence.

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1 Gambling is a Class A misdemeanor. A second or subsequent
2 conviction under subsections (a)(3) through (a)(12), is a
3 Class 4 felony.

4 (d) Circumstantial evidence.

5 In prosecutions under this Section circumstantial evidence
6 shall have the same validity and weight as in any criminal
7 prosecution.

8 (Source: P.A. 101-31, Article 25, Section 25-915, eff.
9 6-28-19; 101-31, Article 35, Section 35-80, eff. 6-28-19;
10 101-109, eff. 7-19-19; 102-558, eff. 8-20-21.)

11 (720 ILCS 5/28-8) (from Ch. 38, par. 28-8)

12 Sec. 28-8. Gambling losses recoverable.

13 (a) Any person who by gambling shall lose to any other

14 person, any sum of money or thing of value, amounting to the
15 sum of \$50 or more and shall pay or deliver the same or any
16 part thereof, may sue for and recover the money or other thing
17 of value, so lost and paid or delivered, in a civil action
18 against the winner thereof, with costs, in the circuit court.
19 No person who accepts from another person for transmission,
20 and transmits, either in his own name or in the name of such
21 other person, any order for any transaction to be made upon, or
22 who executes any order given to him by another person, or who
23 executes any transaction for his own account on, any regular
24 board of trade or commercial, commodity or stock exchange,
25 shall, under any circumstances, be deemed a "winner" of any

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1 moneys lost by such other person in or through any such
2 transactions.

3 (b) If within 6 months, such person who under the terms of
4 Subsection 28-8(a) is entitled to initiate action to recover
5 his losses does not in fact pursue his remedy, any person may
6 initiate a civil action against the winner. The court or the
7 jury, as the case may be, shall determine the amount of the
8 loss. After such determination, the court shall enter a
9 judgment of triple the amount so determined.

10 (c) Gambling losses as a result of gambling conducted on a
11 video gaming terminal licensed under the Video Gaming Act are
12 not recoverable under this Section.

13 (d) Losses as a result of participation in single-player
14 fantasy contests against a fantasy contest operator prior to
15 the effective date of this amendatory Act of the 104th General
16 Assembly are not recoverable under this Section.

17 (e) Losses as a result of participation in fantasy
18 contests conducted under Sections 25-120 through 25-120.8 of
19 the Sports Wagering Act are not recoverable under this
20 Section.

21 (Source: P.A. 98-31, eff. 6-24-13.)

ARTICLE 150

22
23 Section 150-5. The Illinois Lottery Law is amended by

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1 (20 ILCS 1605/9.1)
2 Sec. 9.1. Private manager and management agreement.
3 (a) As used in this Section:
4 "Offeror" means a person or group of persons that responds
5 to a request for qualifications under this Section.
6 "Request for qualifications" means all materials and
7 documents prepared by the Department to solicit the following
8 from offerors:
9 (1) Statements of qualifications.
10 (2) Proposals to enter into a management agreement,
11 including the identity of any prospective vendor or
12 vendors that the offeror intends to initially engage to
13 assist the offeror in performing its obligations under the
14 management agreement.
15 "Final offer" means the last proposal submitted by an
16 offeror in response to the request for qualifications,
17 including the identity of any prospective vendor or vendors
18 that the offeror intends to initially engage to assist the
19 offeror in performing its obligations under the management
20 agreement.
21 "Final offeror" means the offeror ultimately selected by
22 the Governor to be the private manager for the Lottery under
23 subsection (h) of this Section.
24 (b) By September 15, 2010, the Governor shall select a
25 private manager for the total management of the Lottery with

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1 integrated functions, such as lottery game design, supply of
2 goods and services, and advertising and as specified in this
3 Section.
4 (c) Pursuant to the terms of this subsection, the
5 Department shall endeavor to expeditiously terminate the

6 existing contracts in support of the Lottery in effect on July
7 13, 2009 (the effective date of Public Act 96-37) in
8 connection with the selection of the private manager. As part
9 of its obligation to terminate these contracts and select the
10 private manager, the Department shall establish a mutually
11 agreeable timetable to transfer the functions of existing
12 contractors to the private manager so that existing Lottery
13 operations are not materially diminished or impaired during
14 the transition. To that end, the Department shall do the
15 following:

16 (1) where such contracts contain a provision
17 authorizing termination upon notice, the Department shall
18 provide notice of termination to occur upon the mutually
19 agreed timetable for transfer of functions;

20 (2) upon the expiration of any initial term or renewal
21 term of the current Lottery contracts, the Department
22 shall not renew such contract for a term extending beyond
23 the mutually agreed timetable for transfer of functions;
24 or

25 (3) in the event any current contract provides for
26 termination of that contract upon the implementation of a

1 contract with the private manager, the Department shall
2 perform all necessary actions to terminate the contract on
3 the date that coincides with the mutually agreed timetable
4 for transfer of functions.

5 If the contracts to support the current operation of the
6 Lottery in effect on July 13, 2009 (the effective date of
7 Public Act 96-34) are not subject to termination as provided
8 for in this subsection (c), then the Department may include a
9 provision in the contract with the private manager specifying
10 a mutually agreeable methodology for incorporation.

11 (c-5) The Department shall include provisions in the
12 management agreement whereby the private manager shall, for a
13 fee, and pursuant to a contract negotiated with the Department
14 (the "Employee Use Contract"), utilize the services of current
15 Department employees to assist in the administration and
16 operation of the Lottery. The Department shall be the employer
17 of all such bargaining unit employees assigned to perform such

18 work for the private manager, and such employees shall be
19 State employees, as defined by the Personnel Code. Department
20 employees shall operate under the same employment policies,
21 rules, regulations, and procedures, as other employees of the
22 Department. In addition, neither historical representation
23 rights under the Illinois Public Labor Relations Act, nor
24 existing collective bargaining agreements, shall be disturbed
25 by the management agreement with the private manager for the
26 management of the Lottery.

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1 (d) The management agreement with the private manager
2 shall include all of the following:

3 (1) A term not to exceed 13 ~~10~~ years, including any
4 renewals.

5 (2) A provision specifying that the Department:

6 (A) shall exercise actual control over all
7 significant business decisions;

8 (A-5) has the authority to direct or countermand
9 operating decisions by the private manager at any
10 time;

11 (B) has ready access at any time to information
12 regarding Lottery operations;

13 (C) has the right to demand and receive
14 information from the private manager concerning any
15 aspect of the Lottery operations at any time; and

16 (D) retains ownership of all trade names,
17 trademarks, and intellectual property associated with
18 the Lottery.

19 (3) A provision imposing an affirmative duty on the
20 private manager to provide the Department with material
21 information and with any information the private manager
22 reasonably believes the Department would want to know to
23 enable the Department to conduct the Lottery.

24 (4) A provision requiring the private manager to
25 provide the Department with advance notice of any
26 operating decision that bears significantly on the public

1 interest, including, but not limited to, decisions on the
2 kinds of games to be offered to the public and decisions
3 affecting the relative risk and reward of the games being
4 offered, so the Department has a reasonable opportunity to
5 evaluate and countermand that decision.

6 (5) A provision providing for compensation of the
7 private manager that may consist of, among other things, a
8 fee for services and a performance based bonus as
9 consideration for managing the Lottery, including terms
10 that may provide the private manager with an increase in
11 compensation if Lottery revenues grow by a specified
12 percentage in a given year.

13 (6) (Blank).

14 (7) A provision requiring the deposit of all Lottery
15 proceeds to be deposited into the State Lottery Fund
16 except as otherwise provided in Section 20 of this Act.

17 (8) A provision requiring the private manager to
18 locate its principal office within the State.

19 (8-5) A provision encouraging that at least 20% of the
20 cost of contracts entered into for goods and services by
21 the private manager in connection with its management of
22 the Lottery, other than contracts with sales agents or
23 technical advisors, be awarded to businesses that are a
24 minority-owned business, a women-owned business, or a
25 business owned by a person with disability, as those terms
26 are defined in the Business Enterprise for Minorities,

1 Women, and Persons with Disabilities Act.

2 (9) A requirement that so long as the private manager
3 complies with all the conditions of the agreement under
4 the oversight of the Department, the private manager shall
5 have the following duties and obligations with respect to
6 the management of the Lottery:

7 (A) The right to use equipment and other assets
8 used in the operation of the Lottery.

9 (B) The rights and obligations under contracts
10 with retailers and vendors.

11 (C) The implementation of a comprehensive security
12 program by the private manager.

13 (D) The implementation of a comprehensive system
14 of internal audits.

15 (E) The implementation of a program by the private
16 manager to curb compulsive gambling by persons playing
17 the Lottery.

18 (F) A system for determining (i) the type of
19 Lottery games, (ii) the method of selecting winning
20 tickets, (iii) the manner of payment of prizes to
21 holders of winning tickets, (iv) the frequency of
22 drawings of winning tickets, (v) the method to be used
23 in selling tickets, (vi) a system for verifying the
24 validity of tickets claimed to be winning tickets,
25 (vii) the basis upon which retailer commissions are
26 established by the manager, and (viii) minimum

1 payouts.

2 (10) A requirement that advertising and promotion must
3 be consistent with Section 7.8a of this Act.

4 (11) A requirement that the private manager market the
5 Lottery to those residents who are new, infrequent, or
6 lapsed players of the Lottery, especially those who are
7 most likely to make regular purchases on the Internet as
8 permitted by law.

9 (12) A code of ethics for the private manager's
10 officers and employees.

11 (13) A requirement that the Department monitor and
12 oversee the private manager's practices and take action
13 that the Department considers appropriate to ensure that
14 the private manager is in compliance with the terms of the
15 management agreement, while allowing the manager, unless
16 specifically prohibited by law or the management
17 agreement, to negotiate and sign its own contracts with
18 vendors.

19 (14) A provision requiring the private manager to
20 periodically file, at least on an annual basis,
21 appropriate financial statements in a form and manner
22 acceptable to the Department.

23 (15) Cash reserves requirements.

24 (16) Procedural requirements for obtaining the prior
25 approval of the Department when a management agreement or
26 an interest in a management agreement is sold, assigned,

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1 transferred, or pledged as collateral to secure financing.

2 (17) Grounds for the termination of the management
3 agreement by the Department or the private manager.

4 (18) Procedures for amendment of the agreement.

5 (19) A provision requiring the private manager to
6 engage in an open and competitive bidding process for any
7 procurement having a cost in excess of \$50,000 that is not
8 a part of the private manager's final offer. The process
9 shall favor the selection of a vendor deemed to have
10 submitted a proposal that provides the Lottery with the
11 best overall value. The process shall not be subject to
12 the provisions of the Illinois Procurement Code, unless
13 specifically required by the management agreement.

14 (20) The transition of rights and obligations,
15 including any associated equipment or other assets used in
16 the operation of the Lottery, from the manager to any
17 successor manager of the lottery, including the
18 Department, following the termination of or foreclosure
19 upon the management agreement.

20 (21) Right of use of copyrights, trademarks, and
21 service marks held by the Department in the name of the
22 State. The agreement must provide that any use of them by
23 the manager shall only be for the purpose of fulfilling
24 its obligations under the management agreement during the
25 term of the agreement.

26 (22) The disclosure of any information requested by

1 the Department to enable it to comply with the reporting
2 requirements and information requests provided for under
3 subsection (p) of this Section.

4 (e) Notwithstanding any other law to the contrary, the
5 Department shall select a private manager through a
6 competitive request for qualifications process consistent with
7 Section 20-35 of the Illinois Procurement Code, which shall
8 take into account:

9 (1) the offeror's ability to market the Lottery to
10 those residents who are new, infrequent, or lapsed players
11 of the Lottery, especially those who are most likely to
12 make regular purchases on the Internet;

13 (2) the offeror's ability to address the State's
14 concern with the social effects of gambling on those who
15 can least afford to do so;

16 (3) the offeror's ability to provide the most
17 successful management of the Lottery for the benefit of
18 the people of the State based on current and past business
19 practices or plans of the offeror; and

20 (4) the offeror's poor or inadequate past performance
21 in servicing, equipping, operating or managing a lottery
22 on behalf of Illinois, another State or foreign government
23 and attracting persons who are not currently regular
24 players of a lottery.

25 (f) The Department may retain the services of an advisor
26 or advisors with significant experience in financial services

1 or the management, operation, and procurement of goods,
2 services, and equipment for a government-run lottery to assist
3 in the preparation of the terms of the request for
4 qualifications and selection of the private manager. Any
5 prospective advisor seeking to provide services under this
6 subsection (f) shall disclose any material business or
7 financial relationship during the past 3 years with any
8 potential offeror, or with a contractor or subcontractor
9 presently providing goods, services, or equipment to the
10 Department to support the Lottery. The Department shall

11 evaluate the material business or financial relationship of
12 each prospective advisor. The Department shall not select any
13 prospective advisor with a substantial business or financial
14 relationship that the Department deems to impair the
15 objectivity of the services to be provided by the prospective
16 advisor. During the course of the advisor's engagement by the
17 Department, and for a period of one year thereafter, the
18 advisor shall not enter into any business or financial
19 relationship with any offeror or any vendor identified to
20 assist an offeror in performing its obligations under the
21 management agreement. Any advisor retained by the Department
22 shall be disqualified from being an offeror. The Department
23 shall not include terms in the request for qualifications that
24 provide a material advantage whether directly or indirectly to
25 any potential offeror, or any contractor or subcontractor
26 presently providing goods, services, or equipment to the

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1 Department to support the Lottery, including terms contained
2 in previous responses to requests for proposals or
3 qualifications submitted to Illinois, another State or foreign
4 government when those terms are uniquely associated with a
5 particular potential offeror, contractor, or subcontractor.
6 The request for proposals offered by the Department on
7 December 22, 2008 as "LOT08GAMESYS" and reference number
8 "22016176" is declared void.

9 (g) The Department shall select at least 2 offerors as
10 finalists to potentially serve as the private manager no later
11 than August 9, 2010. Upon making preliminary selections, the
12 Department shall schedule a public hearing on the finalists'
13 proposals and provide public notice of the hearing at least 7
14 calendar days before the hearing. The notice must include all
15 of the following:

- 16 (1) The date, time, and place of the hearing.
- 17 (2) The subject matter of the hearing.
- 18 (3) A brief description of the management agreement to
19 be awarded.
- 20 (4) The identity of the offerors that have been
21 selected as finalists to serve as the private manager.
- 22 (5) The address and telephone number of the

23 Department.

24 (h) At the public hearing, the Department shall (i)
25 provide sufficient time for each finalist to present and
26 explain its proposal to the Department and the Governor or the

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1 Governor's designee, including an opportunity to respond to
2 questions posed by the Department, Governor, or designee and
3 (ii) allow the public and non-selected offerors to comment on
4 the presentations. The Governor or a designee shall attend the
5 public hearing. After the public hearing, the Department shall
6 have 14 calendar days to recommend to the Governor whether a
7 management agreement should be entered into with a particular
8 finalist. After reviewing the Department's recommendation, the
9 Governor may accept or reject the Department's recommendation,
10 and shall select a final offeror as the private manager by
11 publication of a notice in the Illinois Procurement Bulletin
12 on or before September 15, 2010. The Governor shall include in
13 the notice a detailed explanation and the reasons why the
14 final offeror is superior to other offerors and will provide
15 management services in a manner that best achieves the
16 objectives of this Section. The Governor shall also sign the
17 management agreement with the private manager.

18 (i) Any action to contest the private manager selected by
19 the Governor under this Section must be brought within 7
20 calendar days after the publication of the notice of the
21 designation of the private manager as provided in subsection
22 (h) of this Section.

23 (j) The Lottery shall remain, for so long as a private
24 manager manages the Lottery in accordance with provisions of
25 this Act, a Lottery conducted by the State, and the State shall
26 not be authorized to sell or transfer the Lottery to a third

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1 party.

2 (k) Any tangible personal property used exclusively in

3 connection with the lottery that is owned by the Department
4 and leased to the private manager shall be owned by the
5 Department in the name of the State and shall be considered to
6 be public property devoted to an essential public and
7 governmental function.

8 (l) The Department may exercise any of its powers under
9 this Section or any other law as necessary or desirable for the
10 execution of the Department's powers under this Section.

11 (m) Neither this Section nor any management agreement
12 entered into under this Section prohibits the General Assembly
13 from authorizing forms of gambling that are not in direct
14 competition with the Lottery. The forms of gambling authorized
15 by Public Act 101-31 constitute authorized forms of gambling
16 that are not in direct competition with the Lottery.

17 (n) The private manager shall be subject to a complete
18 investigation in the third, seventh, and tenth years of the
19 agreement (if the agreement is for a 10-year term) by the
20 Department in cooperation with the Auditor General to
21 determine whether the private manager has complied with this
22 Section and the management agreement. The private manager
23 shall bear the cost of an investigation or reinvestigation of
24 the private manager under this subsection.

25 (o) The powers conferred by this Section are in addition
26 and supplemental to the powers conferred by any other law. If

1 any other law or rule is inconsistent with this Section,
2 including, but not limited to, provisions of the Illinois
3 Procurement Code, then this Section controls as to any
4 management agreement entered into under this Section. This
5 Section and any rules adopted under this Section contain full
6 and complete authority for a management agreement between the
7 Department and a private manager. No law, procedure,
8 proceeding, publication, notice, consent, approval, order, or
9 act by the Department or any other officer, Department,
10 agency, or instrumentality of the State or any political
11 subdivision is required for the Department to enter into a
12 management agreement under this Section. This Section contains
13 full and complete authority for the Department to approve any
14 contracts entered into by a private manager with a vendor

15 providing goods, services, or both goods and services to the
16 private manager under the terms of the management agreement,
17 including subcontractors of such vendors.

18 Upon receipt of a written request from the Chief
19 Procurement Officer, the Department shall provide to the Chief
20 Procurement Officer a complete and un-redacted copy of the
21 management agreement or any contract that is subject to the
22 Department's approval authority under this subsection (o). The
23 Department shall provide a copy of the agreement or contract
24 to the Chief Procurement Officer in the time specified by the
25 Chief Procurement Officer in his or her written request, but
26 no later than 5 business days after the request is received by

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1 the Department. The Chief Procurement Officer must retain any
2 portions of the management agreement or of any contract
3 designated by the Department as confidential, proprietary, or
4 trade secret information in complete confidence pursuant to
5 subsection (g) of Section 7 of the Freedom of Information Act.
6 The Department shall also provide the Chief Procurement
7 Officer with reasonable advance written notice of any contract
8 that is pending Department approval.

9 Notwithstanding any other provision of this Section to the
10 contrary, the Chief Procurement Officer shall adopt
11 administrative rules, including emergency rules, to establish
12 a procurement process to select a successor private manager if
13 a private management agreement has been terminated. The
14 selection process shall at a minimum take into account the
15 criteria set forth in items (1) through (4) of subsection (e)
16 of this Section and may include provisions consistent with
17 subsections (f), (g), (h), and (i) of this Section. The Chief
18 Procurement Officer shall also implement and administer the
19 adopted selection process upon the termination of a private
20 management agreement. The Department, after the Chief
21 Procurement Officer certifies that the procurement process has
22 been followed in accordance with the rules adopted under this
23 subsection (o), shall select a final offeror as the private
24 manager and sign the management agreement with the private
25 manager.

26 Through June 30, 2022, except as provided in Sections

1 21.5, 21.6, 21.7, 21.8, 21.9, 21.10, 21.11, 21.12, and 21.13
2 of this Act and Section 25-70 of the Sports Wagering Act, the
3 Department shall distribute all proceeds of lottery tickets
4 and shares sold in the following priority and manner:

5 (1) The payment of prizes and retailer bonuses.

6 (2) The payment of costs incurred in the operation and
7 administration of the Lottery, including the payment of
8 sums due to the private manager under the management
9 agreement with the Department.

10 (3) On the last day of each month or as soon thereafter
11 as possible, the State Comptroller shall direct and the
12 State Treasurer shall transfer from the State Lottery Fund
13 to the Common School Fund an amount that is equal to the
14 proceeds transferred in the corresponding month of fiscal
15 year 2009, as adjusted for inflation, to the Common School
16 Fund.

17 (4) On or before September 30 of each fiscal year,
18 deposit any estimated remaining proceeds from the prior
19 fiscal year, subject to payments under items (1), (2), and
20 (3), into the Capital Projects Fund. Beginning in fiscal
21 year 2019, the amount deposited shall be increased or
22 decreased each year by the amount the estimated payment
23 differs from the amount determined from each year-end
24 financial audit. Only remaining net deficits from prior
25 fiscal years may reduce the requirement to deposit these
26 funds, as determined by the annual financial audit.

1 Beginning July 1, 2022, the Department shall distribute
2 all proceeds of lottery tickets and shares sold in the manner
3 and priority described in Section 9.3 of this Act, except that
4 the Department shall make the deposit into the Capital
5 Projects Fund that would have occurred under item (4) of this
6 subsection (o) on or before September 30, 2022, but for the

7 changes made to this subsection by Public Act 102-699.

8 (p) The Department shall be subject to the following
9 reporting and information request requirements:

10 (1) the Department shall submit written quarterly
11 reports to the Governor and the General Assembly on the
12 activities and actions of the private manager selected
13 under this Section;

14 (2) upon request of the Chief Procurement Officer, the
15 Department shall promptly produce information related to
16 the procurement activities of the Department and the
17 private manager requested by the Chief Procurement
18 Officer; the Chief Procurement Officer must retain
19 confidential, proprietary, or trade secret information
20 designated by the Department in complete confidence
21 pursuant to subsection (g) of Section 7 of the Freedom of
22 Information Act; and

23 (3) at least 30 days prior to the beginning of the
24 Department's fiscal year, the Department shall prepare an
25 annual written report on the activities of the private
26 manager selected under this Section and deliver that

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1 report to the Governor and General Assembly.

2 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
3 101-561, eff. 8-23-19; 102-558, eff. 8-20-21; 102-699, eff.
4 4-19-22; 102-1115, eff. 1-9-23.)

ARTICLE 155

5

6 Section 155-5. The Retailers' Occupation Tax Act is
7 amended by changing Section 3 as follows:

8 (35 ILCS 120/3)

9 (Text of Section before amendment by P.A. 104-457)

10 Sec. 3. Except as provided in this Section, on or before
11 the twentieth day of each calendar month, every person engaged
12 in the business of selling, which, on and after January 1,
13 2025, includes leasing, tangible personal property at retail
14 in this State during the preceding calendar month shall file a
15 return with the Department, stating:

- 16 1. The name of the seller;
- 17 2. His residence address and the address of his
- 18 principal place of business and the address of the
- 19 principal place of business (if that is a different
- 20 address) from which he engages in the business of selling
- 21 tangible personal property at retail in this State;
- 22 3. Total amount of receipts received by him during the
- 23 preceding calendar month or quarter, as the case may be,

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- 1 from sales of tangible personal property, and from
- 2 services furnished, by him during such preceding calendar
- 3 month or quarter;
- 4 4. Total amount received by him during the preceding
- 5 calendar month or quarter on charge and time sales of
- 6 tangible personal property, and from services furnished,
- 7 by him prior to the month or quarter for which the return
- 8 is filed;
- 9 5. Deductions allowed by law;
- 10 6. Gross receipts which were received by him during
- 11 the preceding calendar month or quarter and upon the basis
- 12 of which the tax is imposed, including gross receipts on
- 13 food for human consumption that is to be consumed off the
- 14 premises where it is sold (other than alcoholic beverages,
- 15 food consisting of or infused with adult use cannabis,
- 16 soft drinks, and food that has been prepared for immediate
- 17 consumption) which were received during the preceding
- 18 calendar month or quarter and upon which tax would have
- 19 been due but for the 0% rate imposed under Public Act
- 20 102-700;
- 21 7. The amount of credit provided in Section 2d of this
- 22 Act;
- 23 8. The amount of tax due, including the amount of tax
- 24 that would have been due on food for human consumption
- 25 that is to be consumed off the premises where it is sold
- 26 (other than alcoholic beverages, food consisting of or

1 infused with adult use cannabis, soft drinks, and food
2 that has been prepared for immediate consumption) but for
3 the 0% rate imposed under Public Act 102-700;

4 9. The signature of the taxpayer; and

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

7 In the case of leases, except as otherwise provided in
8 this Act, the lessor must remit for each tax return period only
9 the tax applicable to that part of the selling price actually
10 received during such tax return period.

11 On and after January 1, 2018, except for returns required
12 to be filed prior to January 1, 2023 for motor vehicles,
13 watercraft, aircraft, and trailers that are required to be
14 registered with an agency of this State, with respect to
15 retailers whose annual gross receipts average \$20,000 or more,
16 all returns required to be filed pursuant to this Act shall be
17 filed electronically. On and after January 1, 2023, with
18 respect to retailers whose annual gross receipts average
19 \$20,000 or more, all returns required to be filed pursuant to
20 this Act, including, but not limited to, returns for motor
21 vehicles, watercraft, aircraft, and trailers that are required
22 to be registered with an agency of this State, shall be filed
23 electronically. Retailers who demonstrate that they do not
24 have access to the Internet or demonstrate hardship in filing
25 electronically may petition the Department to waive the
26 electronic filing requirement.

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

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

8 Prior to October 1, 2003 and on and after September 1,
9 2004, a retailer may accept a Manufacturer's Purchase Credit
10 certification from a purchaser in satisfaction of Use Tax as

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

1 liability imposed under this Act, including any audit
2 liability.
3 Beginning on July 1, 2023 and through December 31, 2032, a
4 retailer may accept a Sustainable Aviation Fuel Purchase
5 Credit certification from an air common carrier-purchaser in
6 satisfaction of Use Tax on aviation fuel as provided in
7 Section 3-87 of the Use Tax Act if the purchaser provides the
8 appropriate documentation as required by Section 3-87 of the
9 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
10 certification accepted by a retailer in accordance with this
11 paragraph may be used by that retailer to satisfy Retailers'
12 Occupation Tax liability (but not in satisfaction of penalty
13 or interest) in the amount claimed in the certification, not
14 to exceed 6.25% of the receipts subject to tax from a sale of
15 aviation fuel. In addition, for a sale of aviation fuel to
16 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
17 retailers must retain in their books and records a
18 certification from the producer of the aviation fuel that the
19 aviation fuel sold by the retailer and for which a sustainable
20 aviation fuel purchase credit was earned meets the definition
21 of sustainable aviation fuel under Section 3-87 of the Use Tax
22 Act. The documentation must include detail sufficient for the

23 Department to determine the number of gallons of sustainable
24 aviation fuel sold.
25 The Department may require returns to be filed on a
26 quarterly basis. If so required, a return for each calendar

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

- 6 1. The name of the seller;
- 7 2. The address of the principal place of business from
8 which he engages in the business of selling tangible
9 personal property at retail in this State;
- 10 3. The total amount of taxable receipts received by
11 him during the preceding calendar month from sales of
12 tangible personal property by him during such preceding
13 calendar month, including receipts from charge and time
14 sales, but less all deductions allowed by law;
- 15 4. The amount of credit provided in Section 2d of this
16 Act;
- 17 5. The amount of tax due; and
- 18 6. Such other reasonable information as the Department
19 may require.

20 Every person engaged in the business of selling aviation
21 fuel at retail in this State during the preceding calendar
22 month shall, instead of reporting and paying tax as otherwise
23 required by this Section, report and pay such tax on a separate
24 aviation fuel tax return. The requirements related to the
25 return shall be as otherwise provided in this Section.
26 Notwithstanding any other provisions of this Act to the

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1 contrary, retailers selling aviation fuel shall file all
2 aviation fuel tax returns and shall make all aviation fuel tax

3 payments by electronic means in the manner and form required
4 by the Department. For purposes of this Section, "aviation
5 fuel" means jet fuel and aviation gasoline.

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

20 Beginning on October 1, 2003, every distributor, importing
21 distributor, and manufacturer of alcoholic liquor as defined
22 in the Liquor Control Act of 1934, shall file a statement with
23 the Department of Revenue, no later than the 10th day of the
24 month for the preceding month during which transactions
25 occurred, by electronic means, showing the total amount of
26 gross receipts from the sale of alcoholic liquor sold or

1 distributed during the preceding month to purchasers;
2 identifying the purchaser to whom it was sold or distributed;
3 the purchaser's tax registration number; and such other
4 information reasonably required by the Department. A
5 distributor, importing distributor, or manufacturer of
6 alcoholic liquor must personally deliver, mail, or provide by
7 electronic means to each retailer listed on the monthly
8 statement a report containing a cumulative total of that
9 distributor's, importing distributor's, or manufacturer's
10 total sales of alcoholic liquor to that retailer no later than
11 the 10th day of the month for the preceding month during which
12 the transaction occurred. The distributor, importing
13 distributor, or manufacturer shall notify the retailer as to
14 the method by which the distributor, importing distributor, or

15 manufacturer will provide the sales information. If the
16 retailer is unable to receive the sales information by
17 electronic means, the distributor, importing distributor, or
18 manufacturer shall furnish the sales information by personal
19 delivery or by mail. For purposes of this paragraph, the term
20 "electronic means" includes, but is not limited to, the use of
21 a secure Internet website, e-mail, or facsimile.

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

26 Notwithstanding any other provision of this Act to the

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1 contrary, retailers subject to tax on cannabis shall file all
2 cannabis tax returns and shall make all cannabis tax payments
3 by electronic means in the manner and form required by the
4 Department.

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

1 amount set forth in subsection (b) of Section 2505-210 of the
2 Department of Revenue Law shall make all payments required by
3 rules of the Department by electronic funds transfer.

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

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

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

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

19 Any amount which is required to be shown or reported on any
20 return or other document under this Act shall, if such amount
21 is not a whole-dollar amount, be increased to the nearest
22 whole-dollar amount in any case where the fractional part of a
23 dollar is 50 cents or more, and decreased to the nearest
24 whole-dollar amount where the fractional part of a dollar is
25 less than 50 cents.

26 If the retailer is otherwise required to file a monthly

1 return and if the retailer's average monthly tax liability to
2 the Department does not exceed \$200, the Department may
3 authorize his returns to be filed on a quarter annual basis,
4 with the return for January, February, and March of a given
5 year being due by April 20 of such year; with the return for
6 April, May, and June of a given year being due by July 20 of

7 such year; with the return for July, August, and September of a
8 given year being due by October 20 of such year, and with the
9 return for October, November, and December of a given year
10 being due by January 20 of the following year.

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

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

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

1 Where the same person has more than one business
2 registered with the Department under separate registrations
3 under this Act, such person may not file each return that is
4 due as a single return covering all such registered
5 businesses, but shall file separate returns for each such
6 registered business.

7 In addition, with respect to motor vehicles, watercraft,
8 aircraft, and trailers that are required to be registered with
9 an agency of this State, except as otherwise provided in this
10 Section, every retailer selling this kind of tangible personal
11 property shall file, with the Department, upon a form to be
12 prescribed and supplied by the Department, a separate return
13 for each such item of tangible personal property which the
14 retailer sells, except that if, in the same transaction, (i) a
15 retailer of aircraft, watercraft, motor vehicles, or trailers
16 transfers more than one aircraft, watercraft, motor vehicle,
17 or trailer to another aircraft, watercraft, motor vehicle
18 retailer, or trailer retailer for the purpose of resale or

19 (ii) a retailer of aircraft, watercraft, motor vehicles, or
20 trailers transfers more than one aircraft, watercraft, motor
21 vehicle, or trailer to a purchaser for use as a qualifying
22 rolling stock as provided in Section 2-5 of this Act, then that
23 seller may report the transfer of all aircraft, watercraft,
24 motor vehicles, or trailers involved in that transaction to
25 the Department on the same uniform invoice-transaction
26 reporting return form. For purposes of this Section,

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1 "watercraft" means a Class 2, Class 3, or Class 4 watercraft as
2 defined in Section 3-2 of the Boat Registration and Safety
3 Act, a personal watercraft, or any boat equipped with an
4 inboard motor.

5 In addition, with respect to motor vehicles, watercraft,
6 aircraft, and trailers that are required to be registered with
7 an agency of this State, every person who is engaged in the
8 business of leasing or renting such items and who, in
9 connection with such business, sells any such item to a
10 retailer for the purpose of resale is, notwithstanding any
11 other provision of this Section to the contrary, authorized to
12 meet the return-filing requirement of this Act by reporting
13 the transfer of all the aircraft, watercraft, motor vehicles,
14 or trailers transferred for resale during a month to the
15 Department on the same uniform invoice-transaction reporting
16 return form on or before the 20th of the month following the
17 month in which the transfer takes place. Notwithstanding any
18 other provision of this Act to the contrary, all returns filed
19 under this paragraph must be filed by electronic means in the
20 manner and form as required by the Department.

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

1 monthly or quarterly returns. However, those retailers shall
2 be required to file returns on an annual basis.

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

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

1 price including the amount allowed by the retailer for
2 traded-in property, if any; the amount allowed by the retailer
3 for the traded-in tangible personal property, if any, to the
4 extent to which Section 1 of this Act allows an exemption for
5 the value of traded-in property; the balance payable after
6 deducting such trade-in allowance from the total selling
7 price; the amount of tax due from the retailer with respect to
8 such transaction; the amount of tax collected from the
9 purchaser by the retailer on such transaction (or satisfactory
10 evidence that such tax is not due in that particular instance,

11 if that is claimed to be the fact); the place and date of the
12 sale, a sufficient identification of the property sold, and
13 such other information as the Department may reasonably
14 require.

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

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

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

22 If the user who would otherwise pay tax to the retailer

23 wants the transaction reporting return filed and the payment
24 of the tax or proof of exemption made to the Department before
25 the retailer is willing to take these actions and such user has
26 not paid the tax to the retailer, such user may certify to the

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

14 On and after January 1, 2025, with respect to the lease of
15 trailers, other than semitrailers as defined in Section 1-187
16 of the Illinois Vehicle Code, that are required to be
17 registered with an agency of this State and that are subject to
18 the tax on lease receipts under this Act, notwithstanding any
19 other provision of this Act to the contrary, for the purpose of
20 reporting and paying tax under this Act on those lease
21 receipts, lessors shall file returns in addition to and
22 separate from the transaction reporting return. Lessors shall
23 file those lease returns and make payment to the Department by
24 electronic means on or before the 20th day of each month
25 following the month, quarter, or year, as applicable, in which
26 lease receipts were received. All lease receipts received by

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1 the lessor from the lease of those trailers during the same
2 reporting period shall be reported and tax shall be paid on a

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

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

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

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

1 preparing and filing returns, remitting the tax and supplying
2 data to the Department on request. A ~~a~~ certified service
3 provider, as defined in the Leveling the Playing Field for
4 Illinois Retail Act, filing the return under this Section on
5 behalf of a remote retailer or a retailer maintaining a place
6 of business in this State shall, at the time of such return,
7 pay to the Department the amount of tax imposed by this Act
8 less a discount of 1.75%. A remote retailer or a retailer
9 maintaining a place of business in this State using a
10 certified service provider to file a return on its behalf, as
11 provided in the Leveling the Playing Field for Illinois Retail
12 Act, is not eligible for the discount. Beginning with returns
13 due on or after January 1, 2025, the vendor's discount allowed
14 in this Section, the Service Occupation Tax Act, the Use Tax

15 Act, and the Service Use Tax Act, including any local tax
16 administered by the Department and reported on the same
17 return, shall not exceed \$1,000 per month in the aggregate for
18 returns other than transaction returns filed during the month.
19 When determining the discount allowed under this Section,
20 retailers shall include the amount of tax that would have been
21 due at the 1% rate but for the 0% rate imposed under Public Act
22 102-700. When determining the discount allowed under this
23 Section, retailers shall include the amount of tax that would
24 have been due at the 6.25% rate but for the 1.25% rate imposed
25 on sales tax holiday items under Public Act 102-700. The
26 discount under this Section is not allowed for the 1.25%

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1 portion of taxes paid on aviation fuel that is subject to the
2 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
3 47133. Any prepayment made pursuant to Section 2d of this Act
4 shall be included in the amount on which such discount is
5 computed. In the case of retailers who report and pay the tax
6 on a transaction by transaction basis, as provided in this
7 Section, such discount shall be taken with each such tax
8 remittance instead of when such retailer files his periodic
9 return, but, beginning with returns due on or after January 1,
10 2025, the vendor's discount allowed under this Section and the
11 Use Tax Act, including any local tax administered by the
12 Department and reported on the same transaction return, shall
13 not exceed \$1,000 per month for all transaction returns filed
14 during the month. The discount allowed under this Section is
15 allowed only for returns that are filed in the manner required
16 by this Act. The Department may disallow the discount for
17 retailers whose certificate of registration is revoked at the
18 time the return is filed, but only if the Department's
19 decision to revoke the certificate of registration has become
20 final.

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

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

1 equal to 22.5% of the taxpayer's actual liability for the
2 month or 27.5% of the taxpayer's liability for the same
3 calendar month of the preceding year. If the month during
4 which such tax liability is incurred begins on or after
5 January 1, 1987 and prior to January 1, 1988, each payment
6 shall be in an amount equal to 22.5% of the taxpayer's actual

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

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

19 the Department during the preceding 4 complete calendar
20 quarters (excluding the month of highest liability and the
21 month of lowest liability) is less than \$19,000 or until such
22 taxpayer's average monthly liability to the Department as
23 computed for each calendar quarter of the 4 preceding complete
24 calendar quarter period is less than \$20,000. However, if a
25 taxpayer can show the Department that a substantial change in
26 the taxpayer's business has occurred which causes the taxpayer

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1 to anticipate that his average monthly tax liability for the
2 reasonably foreseeable future will fall below the \$20,000
3 threshold stated above, then such taxpayer may petition the
4 Department for a change in such taxpayer's reporting status.
5 The Department shall change such taxpayer's reporting status
6 unless it finds that such change is seasonal in nature and not
7 likely to be long term. Quarter monthly payment status shall
8 be determined under this paragraph as if the rate reduction to
9 0% in Public Act 102-700 on food for human consumption that is
10 to be consumed off the premises where it is sold (other than
11 alcoholic beverages, food consisting of or infused with adult
12 use cannabis, soft drinks, and food that has been prepared for
13 immediate consumption) had not occurred. For quarter monthly
14 payments due under this paragraph on or after July 1, 2023 and
15 through June 30, 2024, "25% of the taxpayer's liability for
16 the same calendar month of the preceding year" shall be
17 determined as if the rate reduction to 0% in Public Act 102-700
18 had not occurred. Quarter monthly payment status shall be
19 determined under this paragraph as if the rate reduction to
20 1.25% in Public Act 102-700 on sales tax holiday items had not
21 occurred. For quarter monthly payments due on or after July 1,
22 2023 and through June 30, 2024, "25% of the taxpayer's
23 liability for the same calendar month of the preceding year"
24 shall be determined as if the rate reduction to 1.25% in Public
25 Act 102-700 on sales tax holiday items had not occurred. If any
26 such quarter monthly payment is not paid at the time or in the

1 amount required by this Section, then the taxpayer shall be
2 liable for penalties and interest on the difference between
3 the minimum amount due as a payment and the amount of such
4 quarter monthly payment actually and timely paid, except
5 insofar as the taxpayer has previously made payments for that
6 month to the Department in excess of the minimum payments
7 previously due as provided in this Section. The Department
8 shall make reasonable rules and regulations to govern the
9 quarter monthly payment amount and quarter monthly payment
10 dates for taxpayers who file on other than a calendar monthly
11 basis.

12 The provisions of this paragraph apply before October 1,
13 2001. Without regard to whether a taxpayer is required to make
14 quarter monthly payments as specified above, any taxpayer who
15 is required by Section 2d of this Act to collect and remit
16 prepaid taxes and has collected prepaid taxes which average in
17 excess of \$25,000 per month during the preceding 2 complete
18 calendar quarters, shall file a return with the Department as
19 required by Section 2f and shall make payments to the
20 Department on or before the 7th, 15th, 22nd and last day of the
21 month during which such liability is incurred. If the month
22 during which such tax liability is incurred began prior to
23 September 1, 1985 (the effective date of Public Act 84-221),
24 each payment shall be in an amount not less than 22.5% of the
25 taxpayer's actual liability under Section 2d. If the month
26 during which such tax liability is incurred begins on or after

1 January 1, 1986, each payment shall be in an amount equal to
2 22.5% of the taxpayer's actual liability for the month or
3 27.5% of the taxpayer's liability for the same calendar month
4 of the preceding calendar year. If the month during which such
5 tax liability is incurred begins on or after January 1, 1987,
6 each payment shall be in an amount equal to 22.5% of the
7 taxpayer's actual liability for the month or 26.25% of the
8 taxpayer's liability for the same calendar month of the
9 preceding year. The amount of such quarter monthly payments
10 shall be credited against the final tax liability of the

11 taxpayer's return for that month filed under this Section or
12 Section 2f, as the case may be. Once applicable, the
13 requirement of the making of quarter monthly payments to the
14 Department pursuant to this paragraph shall continue until
15 such taxpayer's average monthly prepaid tax collections during
16 the preceding 2 complete calendar quarters is \$25,000 or less.
17 If any such quarter monthly payment is not paid at the time or
18 in the amount required, the taxpayer shall be liable for
19 penalties and interest on such difference, except insofar as
20 the taxpayer has previously made payments for that month in
21 excess of the minimum payments previously due.

22 The provisions of this paragraph apply on and after
23 October 1, 2001. Without regard to whether a taxpayer is
24 required to make quarter monthly payments as specified above,
25 any taxpayer who is required by Section 2d of this Act to
26 collect and remit prepaid taxes and has collected prepaid

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

23 liable for penalties and interest on such difference, except
24 insofar as the taxpayer has previously made payments for that
25 month in excess of the minimum payments previously due.
26 If any payment provided for in this Section exceeds the

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

22 If a retailer of motor fuel is entitled to a credit under
23 Section 2d of this Act which exceeds the taxpayer's liability
24 to the Department under this Act for the month for which the
25 taxpayer is filing a return, the Department shall issue the
26 taxpayer a credit memorandum for the excess.

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1 The net revenue realized at the 15% rate under either
2 Section 4 or Section 5 of this Act shall be deposited as

3 follows: (i) notwithstanding the provisions of this Section to
4 the contrary, the net revenue realized from the portion of the
5 rate in excess of 5% shall be deposited into the State and
6 Local Sales Tax Reform Fund; and (ii) the net revenue realized
7 from the 5% portion of the rate shall be deposited as provided
8 in this Section for the 5% portion of the 6.25% general rate
9 imposed under this Act.

10 Beginning January 1, 1990, each month the Department shall
11 pay into the Local Government Tax Fund, a special fund in the
12 State treasury which is hereby created, the net revenue
13 realized for the preceding month from the 1% tax imposed under
14 this Act.

15 Beginning January 1, 1990, each month the Department shall
16 pay into the County and Mass Transit District Fund, a special
17 fund in the State treasury which is hereby created, 4% of the
18 net revenue realized for the preceding month from the 6.25%
19 general rate other than aviation fuel sold on or after
20 December 1, 2019. This exception for aviation fuel only
21 applies for so long as the revenue use requirements of 49
22 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

23 Beginning August 1, 2000, each month the Department shall
24 pay into the County and Mass Transit District Fund 20% of the
25 net revenue realized for the preceding month from the 1.25%
26 rate on the selling price of motor fuel and gasohol. If, in any

1 month, the tax on sales tax holiday items, as defined in
2 Section 2-8, is imposed at the rate of 1.25%, then the
3 Department shall pay 20% of the net revenue realized for that
4 month from the 1.25% rate on the selling price of sales tax
5 holiday items into the County and Mass Transit District Fund.

6 Beginning January 1, 1990, each month the Department shall
7 pay into the Local Government Tax Fund 16% of the net revenue
8 realized for the preceding month from the 6.25% general rate
9 on the selling price of tangible personal property other than
10 aviation fuel sold on or after December 1, 2019. This
11 exception for aviation fuel only applies for so long as the
12 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
13 47133 are binding on the State.

14 For aviation fuel sold on or after December 1, 2019, each

15 month the Department shall pay into the State Aviation Program
16 Fund 20% of the net revenue realized for the preceding month
17 from the 6.25% general rate on the selling price of aviation
18 fuel, less an amount estimated by the Department to be
19 required for refunds of the 20% portion of the tax on aviation
20 fuel under this Act, which amount shall be deposited into the
21 Aviation Fuel Sales Tax Refund Fund. The Department shall only
22 pay moneys into the State Aviation Program Fund and the
23 Aviation Fuel Sales Tax Refund Fund under this Act for so long
24 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
25 U.S.C. 47133 are binding on the State.

26 Beginning August 1, 2000, each month the Department shall

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1 pay into the Local Government Tax Fund 80% of the net revenue
2 realized for the preceding month from the 1.25% rate on the
3 selling price of motor fuel and gasohol. If, in any month, the
4 tax on sales tax holiday items, as defined in Section 2-8, is
5 imposed at the rate of 1.25%, then the Department shall pay 80%
6 of the net revenue realized for that month from the 1.25% rate
7 on the selling price of sales tax holiday items into the Local
8 Government Tax Fund.

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

16 Beginning July 1, 2011, each month the Department shall
17 pay into the Clean Air Act Permit Fund 80% of the net revenue
18 realized for the preceding month from the 6.25% general rate
19 on the selling price of sorbents used in Illinois in the
20 process of sorbent injection as used to comply with the
21 Environmental Protection Act or the federal Clean Air Act, but
22 the total payment into the Clean Air Act Permit Fund under this
23 Act and the Use Tax Act shall not exceed \$2,000,000 in any
24 fiscal year.

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

14 Beginning July 1, 2015, of the remainder of the moneys
15 received by the Department under the Use Tax Act, the Service
16 Use Tax Act, the Service Occupation Tax Act, and this Act, each
17 month the Department shall deposit \$500,000 into the State
18 Crime Laboratory Fund.

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

1 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
2 Act, and Section 9 of the Service Occupation Tax Act, such Acts
3 being hereinafter called the "Tax Acts" and such aggregate of
4 2.2% or 3.8%, as the case may be, of moneys being hereinafter
5 called the "Tax Act Amount", and (2) the amount transferred to
6 the Build Illinois Fund from the State and Local Sales Tax

7 Reform Fund shall be less than the Annual Specified Amount (as
8 hereinafter defined), an amount equal to the difference shall
9 be immediately paid into the Build Illinois Fund from other
10 moneys received by the Department pursuant to the Tax Acts;
11 the "Annual Specified Amount" means the amounts specified
12 below for fiscal years 1986 through 1993:

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

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

1 Amount required to be deposited into the Build Illinois Bond
2 Account in the Build Illinois Fund during such month and (2)
3 the amount transferred to the Build Illinois Fund from the
4 State and Local Sales Tax Reform Fund shall have been less than
5 1/12 of the Annual Specified Amount, an amount equal to the
6 difference shall be immediately paid into the Build Illinois
7 Fund from other moneys received by the Department pursuant to
8 the Tax Acts; and, further provided, that in no event shall the
9 payments required under the preceding proviso result in
10 aggregate payments into the Build Illinois Fund pursuant to
11 this clause (b) for any fiscal year in excess of the greater of
12 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
13 such fiscal year. The amounts payable into the Build Illinois
14 Fund under clause (b) of the first sentence in this paragraph
15 shall be payable only until such time as the aggregate amount
16 on deposit under each trust indenture securing Bonds issued
17 and outstanding pursuant to the Build Illinois Bond Act is

18 sufficient, taking into account any future investment income,
19 to fully provide, in accordance with such indenture, for the
20 defeasance of or the payment of the principal of, premium, if
21 any, and interest on the Bonds secured by such indenture and on
22 any Bonds expected to be issued thereafter and all fees and
23 costs payable with respect thereto, all as certified by the
24 Director of the Bureau of the Budget (now Governor's Office of
25 Management and Budget). If on the last business day of any
26 month in which Bonds are outstanding pursuant to the Build

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

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

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

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

1	2014	170,000,000
2	2015	179,000,000

3	2016	189,000,000
4	2017	199,000,000
5	2018	210,000,000
6	2019	221,000,000
7	2020	233,000,000
8	2021	300,000,000
9	2022	300,000,000
10	2023	300,000,000
11	2024	300,000,000
12	2025	300,000,000
13	2026	300,000,000
14	2027	375,000,000
15	2028	375,000,000
16	2029	375,000,000
17	2030	375,000,000
18	2031	375,000,000
19	2032	375,000,000
20	2033	375,000,000
21	2034	375,000,000
22	2035	375,000,000
23	2036	450,000,000
24	and	
25	each fiscal year	
26	thereafter that bonds	

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

6 Beginning July 20, 1993 and in each month of each fiscal
7 year thereafter, one-eighth of the amount requested in the
8 certificate of the Chairman of the Metropolitan Pier and
9 Exposition Authority for that fiscal year, less the amount
10 deposited into the McCormick Place Expansion Project Fund by

11 the State Treasurer in the respective month under subsection
12 (g) of Section 13 of the Metropolitan Pier and Exposition
13 Authority Act, plus cumulative deficiencies in the deposits
14 required under this Section for previous months and years,
15 shall be deposited into the McCormick Place Expansion Project
16 Fund, until the full amount requested for the fiscal year, but
17 not in excess of the amount specified above as "Total
18 Deposit", has been deposited.

19 Subject to payment of amounts into the Capital Projects
20 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
21 and the McCormick Place Expansion Project Fund pursuant to the
22 preceding paragraphs or in any amendments thereto hereafter
23 enacted, for aviation fuel sold on or after December 1, 2019,
24 the Department shall each month deposit into the Aviation Fuel
25 Sales Tax Refund Fund an amount estimated by the Department to
26 be required for refunds of the 80% portion of the tax on

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1 aviation fuel under this Act. The Department shall only
2 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
3 under this paragraph for so long as the revenue use
4 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
5 binding on the State.

6 Subject to payment of amounts into the Build Illinois Fund
7 and the McCormick Place Expansion Project Fund pursuant to the
8 preceding paragraphs or in any amendments thereto hereafter
9 enacted, beginning July 1, 1993 and ending on September 30,
10 2013, the Department shall each month pay into the Illinois
11 Tax Increment Fund 0.27% of 80% of the net revenue realized for
12 the preceding month from the 6.25% general rate on the selling
13 price of tangible personal property.

14 Subject to payment of amounts into the Build Illinois
15 Fund, the McCormick Place Expansion Project Fund, and the
16 Illinois Tax Increment Fund pursuant to the preceding
17 paragraphs or in any amendments to this Section hereafter
18 enacted, beginning on the first day of the first calendar
19 month to occur on or after August 26, 2014 (the effective date
20 of Public Act 98-1098), each month, from the collections made
21 under Section 9 of the Use Tax Act, Section 9 of the Service
22 Use Tax Act, Section 9 of the Service Occupation Tax Act, and

23 Section 3 of the Retailers' Occupation Tax Act, the Department
24 shall pay into the Tax Compliance and Administration Fund, to
25 be used, subject to appropriation, to fund additional auditors
26 and compliance personnel at the Department of Revenue, an

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1 amount equal to 1/12 of 5% of 80% of the cash receipts
2 collected during the preceding fiscal year by the Audit Bureau
3 of the Department under the Use Tax Act, the Service Use Tax
4 Act, the Service Occupation Tax Act, the Retailers' Occupation
5 Tax Act, and associated local occupation and use taxes
6 administered by the Department.

7 Subject to payments of amounts into the Build Illinois
8 Fund, the McCormick Place Expansion Project Fund, the Illinois
9 Tax Increment Fund, the Energy Infrastructure Fund, and the
10 Tax Compliance and Administration Fund as provided in this
11 Section, beginning on July 1, 2018 the Department shall pay
12 each month into the Downstate Public Transportation Fund the
13 moneys required to be so paid under Section 2-3 of the
14 Downstate Public Transportation Act.

15 Subject to successful execution and delivery of a
16 public-private agreement between the public agency and private
17 entity and completion of the civic build, beginning on July 1,
18 2023, of the remainder of the moneys received by the
19 Department under the Use Tax Act, the Service Use Tax Act, the
20 Service Occupation Tax Act, and this Act, the Department shall
21 deposit the following specified deposits in the aggregate from
22 collections under the Use Tax Act, the Service Use Tax Act, the
23 Service Occupation Tax Act, and the Retailers' Occupation Tax
24 Act, as required under Section 8.25g of the State Finance Act
25 for distribution consistent with the Public-Private
26 Partnership for Civic and Transit Infrastructure Project Act.

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1 The moneys received by the Department pursuant to this Act and
2 required to be deposited into the Civic and Transit

3 Infrastructure Fund are subject to the pledge, claim and
4 charge set forth in Section 25-55 of the Public-Private
5 Partnership for Civic and Transit Infrastructure Project Act.
6 As used in this paragraph, "civic build", "private entity",
7 "public-private agreement", and "public agency" have the
8 meanings provided in Section 25-10 of the Public-Private
9 Partnership for Civic and Transit Infrastructure Project Act.

10	Fiscal Year.....	Total Deposit
11	2024.....	\$200,000,000
12	2025.....	\$206,000,000
13	2026.....	\$212,200,000
14	2027.....	\$218,500,000
15	2028.....	\$225,100,000
16	2029.....	\$288,700,000
17	2030.....	\$298,900,000
18	2031.....	\$309,300,000
19	2032.....	\$320,100,000
20	2033.....	\$331,200,000
21	2034.....	\$341,200,000
22	2035.....	\$351,400,000
23	2036.....	\$361,900,000
24	2037.....	\$372,800,000
25	2038.....	\$384,000,000
26	2039.....	\$395,500,000

1	2040.....	\$407,400,000
2	2041.....	\$419,600,000
3	2042.....	\$432,200,000
4	2043.....	\$445,100,000

5 Beginning July 1, 2021 and until July 1, 2022, subject to
6 the payment of amounts into the County and Mass Transit
7 District Fund, the Local Government Tax Fund, the Build
8 Illinois Fund, the McCormick Place Expansion Project Fund, the
9 Illinois Tax Increment Fund, and the Tax Compliance and
10 Administration Fund as provided in this Section, the
11 Department shall pay each month into the Road Fund the amount
12 estimated to represent 16% of the net revenue realized from
13 the taxes imposed on motor fuel and gasohol. Beginning July 1,
14 2022 and until July 1, 2023, subject to the payment of amounts

15 into the County and Mass Transit District Fund, the Local
16 Government Tax Fund, the Build Illinois Fund, the McCormick
17 Place Expansion Project Fund, the Illinois Tax Increment Fund,
18 and the Tax Compliance and Administration Fund as provided in
19 this Section, the Department shall pay each month into the
20 Road Fund the amount estimated to represent 32% of the net
21 revenue realized from the taxes imposed on motor fuel and
22 gasohol. Beginning July 1, 2023 and until July 1, 2024,
23 subject to the payment of amounts into the County and Mass
24 Transit District Fund, the Local Government Tax Fund, the
25 Build Illinois Fund, the McCormick Place Expansion Project
26 Fund, the Illinois Tax Increment Fund, and the Tax Compliance

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1 and Administration Fund as provided in this Section, the
2 Department shall pay each month into the Road Fund the amount
3 estimated to represent 48% of the net revenue realized from
4 the taxes imposed on motor fuel and gasohol. Beginning July 1,
5 2024 and until July 1, 2026, subject to the payment of amounts
6 into the County and Mass Transit District Fund, the Local
7 Government Tax Fund, the Build Illinois Fund, the McCormick
8 Place Expansion Project Fund, the Illinois Tax Increment Fund,
9 and the Tax Compliance and Administration Fund as provided in
10 this Section, the Department shall pay each month into the
11 Road Fund the amount estimated to represent 64% of the net
12 revenue realized from the taxes imposed on motor fuel and
13 gasohol. Beginning on July 1, 2026, subject to the payment of
14 amounts into the County and Mass Transit District Fund, the
15 Local Government Tax Fund, the Build Illinois Fund, the
16 McCormick Place Expansion Project Fund, the Illinois Tax
17 Increment Fund, and the Tax Compliance and Administration Fund
18 as provided in this Section, the Department shall pay each
19 month into the Road Fund the amount estimated to represent 80%
20 of the net revenue realized from the taxes imposed on motor
21 fuel and gasohol. As used in this paragraph "motor fuel" has
22 the meaning given to that term in Section 1.1 of the Motor Fuel
23 Tax Law, and "gasohol" has the meaning given to that term in
24 Section 3-40 of the Use Tax Act.

25 Until July 1, 2025, of the remainder of the moneys
26 received by the Department pursuant to this Act, 75% thereof

1 shall be paid into the State treasury and 25% shall be reserved
2 in a special account and used only for the transfer to the
3 Common School Fund as part of the monthly transfer from the
4 General Revenue Fund in accordance with Section 8a of the
5 State Finance Act. Beginning July 1, 2025, of the remainder of
6 the moneys received by the Department pursuant to this Act,
7 75% shall be deposited into the General Revenue Fund and 25%
8 shall be deposited into the Common School Fund.

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

1 retailer's business during such year and any additional
2 reasonable information which the Department deems would be
3 helpful in determining the accuracy of the monthly, quarterly,
4 or annual returns filed by such retailer as provided for in
5 this Section.

6 If the annual information return required by this Section

7 is not filed when and as required, the taxpayer shall be liable
8 as follows:

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

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

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

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1 The provisions of this Section concerning the filing of an
2 annual information return do not apply to a retailer who is not
3 required to file an income tax return with the United States
4 Government.

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
21 such sales, if the retailers who are affected do not make
22 written objection to the Department to this arrangement.

23 Any person who promotes, organizes, or provides retail
24 selling space for concessionaires or other types of sellers at
25 the Illinois State Fair, DuQuoin State Fair, county fairs,
26 local fairs, art shows, flea markets, and similar exhibitions

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1 or events, including any transient merchant as defined by
2 Section 2 of the Transient Merchant Act of 1987, is required to
3 file a report with the Department providing the name of the
4 merchant's business, the name of the person or persons engaged
5 in merchant's business, the permanent address and Illinois
6 Retailers Occupation Tax Registration Number of the merchant,
7 the dates and location of the event, and other reasonable
8 information that the Department may require. The report must
9 be filed not later than the 20th day of the month next
10 following the month during which the event with retail sales
11 was held. Any person who fails to file a report required by
12 this Section commits a business offense and is subject to a
13 fine not to exceed \$250.

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

1 business of selling tangible personal property at retail at
2 the exhibition or event, or other evidence of a significant
3 risk of loss of revenue to the State. The Department shall
4 notify concessionaires and other sellers affected by the
5 imposition of this requirement. In the absence of notification
6 by the Department, the concessionaires and other sellers shall
7 file their returns as otherwise required in this Section.
8 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
9 103-363, eff. 7-28-23; 103-592, Article 75, Section 75-20,
10 eff. 1-1-25; 103-592, Article 110, Section 110-20, eff.
11 6-7-24; 103-605, eff. 7-1-24; 103-1055, eff. 12-20-24; 104-6,
12 Article 5, Section 5-25, eff. 6-16-25; 104-6, Article 25,
13 Section 25-20, eff. 6-16-25; 104-6, Article 35, Section 35-35,
14 eff. 6-16-25; revised 1-12-26.)

15 (Text of Section after amendment by P.A. 104-457)

16 Sec. 3. Except as provided in this Section, on or before
17 the twentieth day of each calendar month, every person engaged
18 in the business of selling, which, on and after January 1,
19 2025, includes leasing, tangible personal property at retail
20 in this State during the preceding calendar month shall file a
21 return with the Department, stating:

- 22 1. The name of the seller;
- 23 2. His residence address and the address of his
24 principal place of business and the address of the
25 principal place of business (if that is a different

- 1 address) from which he engages in the business of selling
2 tangible personal property at retail in this State;
- 3 3. Total amount of receipts received by him during the
4 preceding calendar month or quarter, as the case may be,
5 from sales of tangible personal property, and from
6 services furnished, by him during such preceding calendar
7 month or quarter;
- 8 4. Total amount received by him during the preceding
9 calendar month or quarter on charge and time sales of
10 tangible personal property, and from services furnished,

11 by him prior to the month or quarter for which the return
12 is filed;

13 5. Deductions allowed by law;

14 6. Gross receipts which were received by him during
15 the preceding calendar month or quarter and upon the basis
16 of which the tax is imposed, including gross receipts on
17 food for human consumption that is to be consumed off the
18 premises where it is sold (other than alcoholic beverages,
19 food consisting of or infused with adult use cannabis,
20 soft drinks, and food that has been prepared for immediate
21 consumption) which were received during the preceding
22 calendar month or quarter and upon which tax would have
23 been due but for the 0% rate imposed under Public Act
24 102-700;

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

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1 8. The amount of tax due, including the amount of tax
2 that would have been due on food for human consumption
3 that is to be consumed off the premises where it is sold
4 (other than alcoholic beverages, food consisting of or
5 infused with adult use cannabis, soft drinks, and food
6 that has been prepared for immediate consumption) but for
7 the 0% rate imposed under Public Act 102-700;

8 9. The signature of the taxpayer; and

9 10. Such other reasonable information as the
10 Department may require.

11 In the case of leases, except as otherwise provided in
12 this Act, the lessor must remit for each tax return period only
13 the tax applicable to that part of the selling price actually
14 received during such tax return period.

15 On and after January 1, 2018, except for returns required
16 to be filed prior to January 1, 2023 for motor vehicles,
17 watercraft, aircraft, and trailers that are required to be
18 registered with an agency of this State, with respect to
19 retailers whose annual gross receipts average \$20,000 or more,
20 all returns required to be filed pursuant to this Act shall be
21 filed electronically. On and after January 1, 2023, with
22 respect to retailers whose annual gross receipts average

23 \$20,000 or more, all returns required to be filed pursuant to
24 this Act, including, but not limited to, returns for motor
25 vehicles, watercraft, aircraft, and trailers that are required
26 to be registered with an agency of this State, shall be filed

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1 electronically. Retailers who demonstrate that they do not
2 have access to the Internet or demonstrate hardship in filing
3 electronically may petition the Department to waive the
4 electronic filing requirement.

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 Purchase

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1 Credit reported on annual returns due on or after January 1,
2 2005 will be disallowed for periods prior to September 1,

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

7 Beginning on July 1, 2023 and through December 31, 2032, a
8 retailer may accept a Sustainable Aviation Fuel Purchase
9 Credit certification from an air common carrier-purchaser in
10 satisfaction of Use Tax on aviation fuel as provided in
11 Section 3-87 of the Use Tax Act if the purchaser provides the
12 appropriate documentation as required by Section 3-87 of the
13 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
14 certification accepted by a retailer in accordance with this
15 paragraph may be used by that retailer to satisfy Retailers'
16 Occupation Tax liability (but not in satisfaction of penalty
17 or interest) in the amount claimed in the certification, not
18 to exceed 6.25% of the receipts subject to tax from a sale of
19 aviation fuel. In addition, for a sale of aviation fuel to
20 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
21 retailers must retain in their books and records a
22 certification from the producer of the aviation fuel that the
23 aviation fuel sold by the retailer and for which a sustainable
24 aviation fuel purchase credit was earned meets the definition
25 of sustainable aviation fuel under Section 3-87 of the Use Tax
26 Act. The documentation must include detail sufficient for the

1 Department to determine the number of gallons of sustainable
2 aviation fuel sold.

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

- 10 1. The name of the seller;
- 11 2. The address of the principal place of business from
12 which he engages in the business of selling tangible
13 personal property at retail in this State;
- 14 3. The total amount of taxable receipts received by

15 him during the preceding calendar month from sales of
16 tangible personal property by him during such preceding
17 calendar month, including receipts from charge and time
18 sales, but less all deductions allowed by law;
19 4. The amount of credit provided in Section 2d of this
20 Act;
21 5. The amount of tax due; and
22 6. Such other reasonable information as the Department
23 may require.
24 Every person engaged in the business of selling aviation
25 fuel at retail in this State during the preceding calendar
26 month shall, instead of reporting and paying tax as otherwise

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1 required by this Section, report and pay such tax on a separate
2 aviation fuel tax return. The requirements related to the
3 return shall be as otherwise provided in this Section.
4 Notwithstanding any other provisions of this Act to the
5 contrary, retailers selling aviation fuel shall file all
6 aviation fuel tax returns and shall make all aviation fuel tax
7 payments by electronic means in the manner and form required
8 by the Department. For purposes of this Section, "aviation
9 fuel" means jet fuel and aviation gasoline.

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

24 Beginning on October 1, 2003, every distributor, importing
25 distributor, and manufacturer of alcoholic liquor as defined
26 in the Liquor Control Act of 1934, shall file a statement with

1 the Department of Revenue, no later than the 10th day of the
2 month for the preceding month during which transactions
3 occurred, by electronic means, showing the total amount of
4 gross receipts from the sale of alcoholic liquor sold or
5 distributed during the preceding month to purchasers;
6 identifying the purchaser to whom it was sold or distributed;
7 the purchaser's tax registration number; and such other
8 information reasonably required by the Department. A
9 distributor, importing distributor, or manufacturer of
10 alcoholic liquor must personally deliver, mail, or provide by
11 electronic means to each retailer listed on the monthly
12 statement a report containing a cumulative total of that
13 distributor's, importing distributor's, or manufacturer's
14 total sales of alcoholic liquor to that retailer no later than
15 the 10th day of the month for the preceding month during which
16 the transaction occurred. The distributor, importing
17 distributor, or manufacturer shall notify the retailer as to
18 the method by which the distributor, importing distributor, or
19 manufacturer will provide the sales information. If the
20 retailer is unable to receive the sales information by
21 electronic means, the distributor, importing distributor, or
22 manufacturer shall furnish the sales information by personal
23 delivery or by mail. For purposes of this paragraph, the term
24 "electronic means" includes, but is not limited to, the use of
25 a secure Internet website, e-mail, or facsimile.
26 If a total amount of less than \$1 is payable, refundable or

1 creditable, such amount shall be disregarded if it is less
2 than 50 cents and shall be increased to \$1 if it is 50 cents or
3 more.
4 Notwithstanding any other provision of this Act to the
5 contrary, retailers subject to tax on cannabis shall file all
6 cannabis tax returns and shall make all cannabis tax payments

7 by electronic means in the manner and form required by the
8 Department.

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

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

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

19 payments 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 Any amount which is required to be shown or reported on any
24 return or other document under this Act shall, if such amount
25 is not a whole-dollar amount, be increased to the nearest
26 whole-dollar amount in any case where the fractional part of a

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1 dollar is 50 cents or more, and decreased to the nearest
2 whole-dollar amount where the fractional part of a dollar is
3 less than 50 cents.

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

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

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

24 Notwithstanding any other provision in this Act concerning
25 the time within which a retailer may file his return, in the
26 case of any retailer who ceases to engage in a kind of business

1 which makes him responsible for filing returns under this Act,
2 such retailer shall file a final return under this Act with the
3 Department not more than one month after discontinuing such
4 business.

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

11 In addition, with respect to motor vehicles, watercraft,
12 aircraft, and trailers that are required to be registered with
13 an agency of this State, except as otherwise provided in this
14 Section, every retailer selling this kind of tangible personal
15 property shall file, with the Department, upon a form to be
16 prescribed and supplied by the Department, a separate return
17 for each such item of tangible personal property which the
18 retailer sells, except that if, in the same transaction, (i) a
19 retailer of aircraft, watercraft, motor vehicles, or trailers
20 transfers more than one aircraft, watercraft, motor vehicle,
21 or trailer to another aircraft, watercraft, motor vehicle
22 retailer, or trailer retailer for the purpose of resale or
23 (ii) a retailer of aircraft, watercraft, motor vehicles, or
24 trailers transfers more than one aircraft, watercraft, motor
25 vehicle, or trailer to a purchaser for use as a qualifying
26 rolling stock as provided in Section 2-5 of this Act, then that

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

9 In addition, with respect to motor vehicles, watercraft,
10 aircraft, and trailers that are required to be registered with

11 an agency of this State, every person who is engaged in the
12 business of leasing or renting such items and who, in
13 connection with such business, sells any such item to a
14 retailer for the purpose of resale is, notwithstanding any
15 other provision of this Section to the contrary, authorized to
16 meet the return-filing requirement of this Act by reporting
17 the transfer of all the aircraft, watercraft, motor vehicles,
18 or trailers transferred for resale during a month to the
19 Department on the same uniform invoice-transaction reporting
20 return form on or before the 20th of the month following the
21 month in which the transfer takes place. Notwithstanding any
22 other provision of this Act to the contrary, all returns filed
23 under this paragraph must be filed by electronic means in the
24 manner and form as required by the Department.

25 Any retailer who sells only motor vehicles, watercraft,
26 aircraft, or trailers that are required to be registered with

1 an agency of this State, so that all retailers' occupation tax
2 liability is required to be reported, and is reported, on such
3 transaction reporting returns and who is not otherwise
4 required to file monthly or quarterly returns, need not file
5 monthly or quarterly returns. However, those retailers shall
6 be required to file returns on an annual basis.

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

23 if that is claimed to be the fact); the place and date of the
24 sale; a sufficient identification of the property sold; such
25 other information as is required in Section 5-402 of the
26 Illinois Vehicle Code, and such other information as the

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1 Department may reasonably require.

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

19 Such transaction reporting return shall be filed not later
20 than 20 days after the day of delivery of the item that is
21 being sold, but may be filed by the retailer at any time sooner
22 than that if he chooses to do so. The transaction reporting
23 return and tax remittance or proof of exemption from the
24 Illinois use tax may be transmitted to the Department by way of
25 the State agency with which, or State officer with whom the
26 tangible personal property must be titled or registered (if

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1 titling or registration is required) if the Department and
2 such agency or State officer determine that this procedure

3 will expedite the processing of applications for title or
4 registration.

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

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

26 If the user who would otherwise pay tax to the retailer

1 wants the transaction reporting return filed and the payment
2 of the tax or proof of exemption made to the Department before
3 the retailer is willing to take these actions and such user has
4 not paid the tax to the retailer, such user may certify to the
5 fact of such delay by the retailer and may (upon the Department
6 being satisfied of the truth of such certification) transmit
7 the information required by the transaction reporting return
8 and the remittance for tax or proof of exemption directly to
9 the Department and obtain his tax receipt or exemption
10 determination, in which event the transaction reporting return
11 and tax remittance (if a tax payment was required) shall be
12 credited by the Department to the proper retailer's account
13 with the Department, but without the vendor's discount
14 provided for in this Section being allowed. When the user pays

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

18 On and after January 1, 2025, with respect to the lease of
19 trailers, other than semitrailers as defined in Section 1-187
20 of the Illinois Vehicle Code, that are required to be
21 registered with an agency of this State and that are subject to
22 the tax on lease receipts under this Act, notwithstanding any
23 other provision of this Act to the contrary, for the purpose of
24 reporting and paying tax under this Act on those lease
25 receipts, lessors shall file returns in addition to and
26 separate from the transaction reporting return. Lessors shall

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1 file those lease returns and make payment to the Department by
2 electronic means on or before the 20th day of each month
3 following the month, quarter, or year, as applicable, in which
4 lease receipts were received. All lease receipts received by
5 the lessor from the lease of those trailers during the same
6 reporting period shall be reported and tax shall be paid on a
7 single return form to be prescribed by the Department.

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

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

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

24 Except as provided in this Section, the retailer filing
25 the return under this Section shall, at the time of filing such
26 return, pay to the Department the amount of tax imposed by this

1 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
2 on and after January 1, 1990, or \$5 per calendar year,
3 whichever is greater, which is allowed to reimburse the
4 retailer for the expenses incurred in keeping records,
5 preparing and filing returns, remitting the tax and supplying
6 data to the Department on request. A certified service
7 provider, as defined in the Leveling the Playing Field for
8 Illinois Retail Act, filing the return under this Section on
9 behalf of a remote retailer or a retailer maintaining a place
10 of business in this State shall, at the time of such return,
11 pay to the Department the amount of tax imposed by this Act
12 less a discount of 1.75%. A remote retailer or a retailer
13 maintaining a place of business in this State using a
14 certified service provider to file a return on its behalf, as
15 provided in the Leveling the Playing Field for Illinois Retail
16 Act, is not eligible for the discount. Beginning with returns
17 due on or after January 1, 2025, the vendor's discount allowed
18 in this Section, the Service Occupation Tax Act, the Use Tax
19 Act, and the Service Use Tax Act, including any local tax
20 administered by the Department and reported on the same
21 return, shall not exceed \$1,000 per month in the aggregate for
22 returns other than transaction returns filed during the month.
23 When determining the discount allowed under this Section,
24 retailers shall include the amount of tax that would have been
25 due at the 1% rate but for the 0% rate imposed under Public Act
26 102-700. When determining the discount allowed under this

1 Section, retailers shall include the amount of tax that would
2 have been due at the 6.25% rate but for the 1.25% rate imposed
3 on sales tax holiday items under Public Act 102-700. The
4 discount under this Section is not allowed for the 1.25%
5 portion of taxes paid on aviation fuel that is subject to the
6 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.

7 47133. Any prepayment made pursuant to Section 2d of this Act
8 shall be included in the amount on which such discount is
9 computed. In the case of retailers who report and pay the tax
10 on a transaction by transaction basis, as provided in this
11 Section, such discount shall be taken with each such tax
12 remittance instead of when such retailer files his periodic
13 return, but, beginning with returns due on or after January 1,
14 2025, the vendor's discount allowed under this Section and the
15 Use Tax Act, including any local tax administered by the
16 Department and reported on the same transaction return, shall
17 not exceed \$1,000 per month for all transaction returns filed
18 during the month. The discount allowed under this Section is
19 allowed only for returns that are filed in the manner required
20 by this Act. The Department may disallow the discount for
21 retailers whose certificate of registration is revoked at the
22 time the return is filed, but only if the Department's
23 decision to revoke the certificate of registration has become
24 final.

25 Before October 1, 2000, if the taxpayer's average monthly
26 tax liability to the Department under this Act, the Use Tax

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

19 payment to the Department on or before the 7th, 15th, 22nd and
20 last day of the month during which such liability is incurred.
21 If the month during which such tax liability is incurred began
22 prior to January 1, 1985, each payment shall be in an amount
23 equal to 1/4 of the taxpayer's actual liability for the month
24 or an amount set by the Department not to exceed 1/4 of the
25 average monthly liability of the taxpayer to the Department
26 for the preceding 4 complete calendar quarters (excluding the

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1 month of highest liability and the month of lowest liability
2 in such 4 quarter period). If the month during which such tax
3 liability is incurred begins on or after January 1, 1985 and
4 prior to January 1, 1987, each payment shall be in an amount
5 equal to 22.5% of the taxpayer's actual liability for the
6 month or 27.5% of the taxpayer's liability for the same
7 calendar month of the preceding year. If the month during
8 which such tax liability is incurred begins on or after
9 January 1, 1987 and prior to January 1, 1988, each payment
10 shall be in an amount equal to 22.5% of the taxpayer's actual
11 liability for the month or 26.25% of the taxpayer's liability
12 for the same calendar month of the preceding year. If the month
13 during which such tax liability is incurred begins on or after
14 January 1, 1988, and prior to January 1, 1989, or begins on or
15 after January 1, 1996, each payment shall be in an amount equal
16 to 22.5% of the taxpayer's actual liability for the month or
17 25% of the taxpayer's liability for the same calendar month of
18 the preceding year. If the month during which such tax
19 liability is incurred begins on or after January 1, 1989, and
20 prior to January 1, 1996, each payment shall be in an amount
21 equal to 22.5% of the taxpayer's actual liability for the
22 month or 25% of the taxpayer's liability for the same calendar
23 month of the preceding year or 100% of the taxpayer's actual
24 liability for the quarter monthly reporting period. The amount
25 of such quarter monthly payments shall be credited against the
26 final tax liability of the taxpayer's return for that month.

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

1 computed for each calendar quarter of the 4 preceding complete
2 calendar quarter period is less than \$20,000. However, if a
3 taxpayer can show the Department that a substantial change in
4 the taxpayer's business has occurred which causes the taxpayer
5 to anticipate that his average monthly tax liability for the
6 reasonably foreseeable future will fall below the \$20,000
7 threshold stated above, then such taxpayer may petition the
8 Department for a change in such taxpayer's reporting status.
9 The Department shall change such taxpayer's reporting status
10 unless it finds that such change is seasonal in nature and not

11 likely to be long term. Quarter monthly payment status shall
12 be determined under this paragraph as if the rate reduction to
13 0% in Public Act 102-700 on food for human consumption that is
14 to be consumed off the premises where it is sold (other than
15 alcoholic beverages, food consisting of or infused with adult
16 use cannabis, soft drinks, and food that has been prepared for
17 immediate consumption) had not occurred. For quarter monthly
18 payments due under this paragraph on or after July 1, 2023 and
19 through June 30, 2024, "25% of the taxpayer's liability for
20 the same calendar month of the preceding year" shall be
21 determined as if the rate reduction to 0% in Public Act 102-700
22 had not occurred. Quarter monthly payment status shall be
23 determined under this paragraph as if the rate reduction to
24 1.25% in Public Act 102-700 on sales tax holiday items had not
25 occurred. For quarter monthly payments due on or after July 1,
26 2023 and through June 30, 2024, "25% of the taxpayer's

1 liability for the same calendar month of the preceding year"
2 shall be determined as if the rate reduction to 1.25% in Public
3 Act 102-700 on sales tax holiday items had not occurred. If any
4 such quarter monthly payment is not paid at the time or in the
5 amount required by this Section, then the taxpayer shall be
6 liable for penalties and interest on the difference between
7 the minimum amount due as a payment and the amount of such
8 quarter monthly payment actually and timely paid, except
9 insofar as the taxpayer has previously made payments for that
10 month to the Department in excess of the minimum payments
11 previously due as provided in this Section. The Department
12 shall make reasonable rules and regulations to govern the
13 quarter monthly payment amount and quarter monthly payment
14 dates for taxpayers who file on other than a calendar monthly
15 basis.

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

23 required by Section 2f and shall make payments to the
24 Department on or before the 7th, 15th, 22nd and last day of the
25 month during which such liability is incurred. If the month
26 during which such tax liability is incurred began prior to

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1 September 1, 1985 (the effective date of Public Act 84-221),
2 each payment shall be in an amount not less than 22.5% of the
3 taxpayer's actual liability under Section 2d. If the month
4 during which such tax liability is incurred begins on or after
5 January 1, 1986, each payment shall be in an amount equal to
6 22.5% of the taxpayer's actual liability for the month or
7 27.5% of the taxpayer's liability for the same calendar month
8 of the preceding calendar year. If the month during which such
9 tax liability is incurred begins on or after January 1, 1987,
10 each payment shall be in an amount equal to 22.5% of the
11 taxpayer's actual liability for the month or 26.25% of the
12 taxpayer's liability for the same calendar month of the
13 preceding year. The amount of such quarter monthly payments
14 shall be credited against the final tax liability of the
15 taxpayer's return for that month filed under this Section or
16 Section 2f, as the case may be. Once applicable, the
17 requirement of the making of quarter monthly payments to the
18 Department pursuant to this paragraph shall continue until
19 such taxpayer's average monthly prepaid tax collections during
20 the preceding 2 complete calendar quarters is \$25,000 or less.
21 If any such quarter monthly payment is not paid at the time or
22 in the amount required, the taxpayer shall be liable for
23 penalties and interest on such difference, except insofar as
24 the taxpayer has previously made payments for that month in
25 excess of the minimum payments previously due.
26 The provisions of this paragraph apply on and after

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1 October 1, 2001. Without regard to whether a taxpayer is
2 required to make quarter monthly payments as specified above,

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

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

4 If any payment provided for in this Section exceeds the
5 taxpayer's liabilities under this Act, the Use Tax Act, the
6 Service Occupation Tax Act, and the Service Use Tax Act, as
7 shown on an original monthly return, the Department shall, if
8 requested by the taxpayer, issue to the taxpayer a credit
9 memorandum no later than 30 days after the date of payment. The
10 credit evidenced by such credit memorandum may be assigned by
11 the taxpayer to a similar taxpayer under this Act, the Use Tax
12 Act, the Service Occupation Tax Act, or the Service Use Tax
13 Act, in accordance with reasonable rules and regulations to be
14 prescribed by the Department. If no such request is made, the

15 taxpayer may credit such excess payment against tax liability
16 subsequently to be remitted to the Department under this Act,
17 the Use Tax Act, the Service Occupation Tax Act, or the Service
18 Use Tax Act, in accordance with reasonable rules and
19 regulations prescribed by the Department. If the Department
20 subsequently determined that all or any part of the credit
21 taken was not actually due to the taxpayer, the taxpayer's
22 vendor's discount shall be reduced, if necessary, to reflect
23 the difference between the credit taken and that actually due,
24 and that taxpayer shall be liable for penalties and interest
25 on such difference.

26 If a retailer of motor fuel is entitled to a credit under

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

5 The net revenue realized at the 15% rate under either
6 Section 4 or Section 5 of this Act shall be deposited as
7 follows: (i) notwithstanding the provisions of this Section to
8 the contrary, the net revenue realized from the portion of the
9 rate in excess of 5% shall be deposited into the State and
10 Local Sales Tax Reform Fund; and (ii) the net revenue realized
11 from the 5% portion of the rate shall be deposited as provided
12 in this Section for the 5% portion of the 6.25% general rate
13 imposed under this Act.

14 Beginning January 1, 1990, each month the Department shall
15 pay into the Local Government Tax Fund, a special fund in the
16 State treasury which is hereby created, the net revenue
17 realized for the preceding month from the 1% tax imposed under
18 this Act.

19 Beginning January 1, 1990, each month the Department shall
20 pay into the County and Mass Transit District Fund, a special
21 fund in the State treasury which is hereby created, 4% of the
22 net revenue realized for the preceding month from the 6.25%
23 general rate other than aviation fuel sold on or after
24 December 1, 2019. This exception for aviation fuel only
25 applies for so long as the revenue use requirements of 49
26 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

1 Beginning August 1, 2000, each month the Department shall
2 pay into the County and Mass Transit District Fund 20% of the
3 net revenue realized for the preceding month from the 1.25%
4 rate on the selling price of motor fuel and gasohol. If, in any
5 month, the tax on sales tax holiday items, as defined in
6 Section 2-8, is imposed at the rate of 1.25%, then the
7 Department shall pay 20% of the net revenue realized for that
8 month from the 1.25% rate on the selling price of sales tax
9 holiday items into the County and Mass Transit District Fund.

10 Beginning January 1, 1990, each month the Department shall
11 pay into the Local Government Tax Fund 16% of the net revenue
12 realized for the preceding month from the 6.25% general rate
13 on the selling price of tangible personal property other than
14 aviation fuel sold on or after December 1, 2019. This
15 exception for aviation fuel only applies for so long as the
16 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
17 47133 are binding on the State.

18 For aviation fuel sold on or after December 1, 2019, each
19 month the Department shall pay into the State Aviation Program
20 Fund 20% of the net revenue realized for the preceding month
21 from the 6.25% general rate on the selling price of aviation
22 fuel, less an amount estimated by the Department to be
23 required for refunds of the 20% portion of the tax on aviation
24 fuel under this Act, which amount shall be deposited into the
25 Aviation Fuel Sales Tax Refund Fund. The Department shall only
26 pay moneys into the State Aviation Program Fund and the

1 Aviation Fuel Sales Tax Refund Fund under this Act for so long
2 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
3 U.S.C. 47133 are binding on the State.

4 Beginning August 1, 2000, each month the Department shall
5 pay into the Local Government Tax Fund 80% of the net revenue
6 realized for the preceding month from the 1.25% rate on the

7 selling price of motor fuel and gasohol. If, in any month, the
8 tax on sales tax holiday items, as defined in Section 2-8, is
9 imposed at the rate of 1.25%, then the Department shall pay 80%
10 of the net revenue realized for that month from the 1.25% rate
11 on the selling price of sales tax holiday items into the Local
12 Government Tax Fund.

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

20 Beginning July 1, 2011, each month the Department shall
21 pay into the Clean Air Act Permit Fund 80% of the net revenue
22 realized for the preceding month from the 6.25% general rate
23 on the selling price of sorbents used in Illinois in the
24 process of sorbent injection as used to comply with the
25 Environmental Protection Act or the federal Clean Air Act, but
26 the total payment into the Clean Air Act Permit Fund under this

1 Act and the Use Tax Act shall not exceed \$2,000,000 in any
2 fiscal year.

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

18 Beginning July 1, 2015, of the remainder of the moneys

19 received by the Department under the Use Tax Act, the Service
20 Use Tax Act, the Service Occupation Tax Act, and this Act, each
21 month the Department shall deposit \$500,000 into the State
22 Crime Laboratory Fund.

23 Of the remainder of the moneys received by the Department
24 pursuant to this Act, (a) 1.75% thereof shall be paid into the
25 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
26 and after July 1, 1989, 3.8% thereof shall be paid into the

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

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

26 and means the Certified Annual Debt Service Requirement (as

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

1 costs payable with respect thereto, all as certified by the
2 Director of the Bureau of the Budget (now Governor's Office of
3 Management and Budget). If on the last business day of any
4 month in which Bonds are outstanding pursuant to the Build
5 Illinois Bond Act, the aggregate of moneys deposited into the
6 Build Illinois Bond Account in the Build Illinois Fund in such
7 month shall be less than the amount required to be transferred
8 in such month from the Build Illinois Bond Account to the Build

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

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

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

9	Fiscal Year	Total Deposit
10	1993	\$0
11	1994	53,000,000
12	1995	58,000,000
13	1996	61,000,000
14	1997	64,000,000
15	1998	68,000,000
16	1999	71,000,000
17	2000	75,000,000
18	2001	80,000,000
19	2002	93,000,000

20	2003	99,000,000
21	2004	103,000,000
22	2005	108,000,000
23	2006	113,000,000
24	2007	119,000,000
25	2008	126,000,000
26	2009	132,000,000

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1	2010	139,000,000
2	2011	146,000,000
3	2012	153,000,000
4	2013	161,000,000
5	2014	170,000,000
6	2015	179,000,000
7	2016	189,000,000
8	2017	199,000,000
9	2018	210,000,000
10	2019	221,000,000
11	2020	233,000,000
12	2021	300,000,000
13	2022	300,000,000
14	2023	300,000,000
15	2024	300,000,000
16	2025	300,000,000
17	2026	300,000,000
18	2027	375,000,000
19	2028	375,000,000
20	2029	375,000,000
21	2030	375,000,000
22	2031	375,000,000
23	2032	375,000,000
24	2033	375,000,000
25	2034	375,000,000
26	2035	375,000,000

1 2036 450,000,000
2 and
3 each fiscal year
4 thereafter that bonds
5 are outstanding under
6 Section 13.2 of the
7 Metropolitan Pier and
8 Exposition Authority Act,
9 but not after fiscal year 2060.

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

23 Subject to payment of amounts into the Capital Projects
24 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
25 and the McCormick Place Expansion Project Fund pursuant to the
26 preceding paragraphs or in any amendments thereto hereafter

1 enacted, for aviation fuel sold on or after December 1, 2019,
2 the Department shall each month deposit into the Aviation Fuel
3 Sales Tax Refund Fund an amount estimated by the Department to
4 be required for refunds of the 80% portion of the tax on
5 aviation fuel under this Act. The Department shall only
6 deposit moneys into the Aviation Fuel Sales Tax Refund Fund

7 under this paragraph for so long as the revenue use
8 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
9 binding on the State.

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 July 1, 1993 and ending on September 30,
14 2013, the Department shall each month pay into the Illinois
15 Tax Increment Fund 0.27% of 80% of the net revenue realized for
16 the preceding month from the 6.25% general rate on the selling
17 price of tangible personal property.

18 Subject to payment of amounts into the Build Illinois
19 Fund, the McCormick Place Expansion Project Fund, and the
20 Illinois Tax Increment Fund pursuant to the preceding
21 paragraphs or in any amendments to this Section hereafter
22 enacted, beginning on the first day of the first calendar
23 month to occur on or after August 26, 2014 (the effective date
24 of Public Act 98-1098), each month, from the collections made
25 under Section 9 of the Use Tax Act, Section 9 of the Service
26 Use Tax Act, Section 9 of the Service Occupation Tax Act, and

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

11 Subject to payments of amounts into the Build Illinois
12 Fund, the McCormick Place Expansion Project Fund, the Illinois
13 Tax Increment Fund, the Energy Infrastructure Fund, and the
14 Tax Compliance and Administration Fund as provided in this
15 Section, beginning on July 1, 2018 the Department shall pay
16 each month into the Downstate Public Transportation Fund the
17 moneys required to be so paid under Section 2-3 of the
18 Downstate Public Transportation Act.

19 Subject to successful execution and delivery of a
20 public-private agreement between the public agency and private
21 entity and completion of the civic build, beginning on July 1,
22 2023, of the remainder of the moneys received by the
23 Department under the Use Tax Act, the Service Use Tax Act, the
24 Service Occupation Tax Act, and this Act, the Department shall
25 deposit the following specified deposits in the aggregate from
26 collections under the Use Tax Act, the Service Use Tax Act, the

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1 Service Occupation Tax Act, and the Retailers' Occupation Tax
2 Act, as required under Section 8.25g of the State Finance Act
3 for distribution consistent with the Public-Private
4 Partnership for Civic and Transit Infrastructure Project Act.
5 The moneys received by the Department pursuant to this Act and
6 required to be deposited into the Civic and Transit
7 Infrastructure Fund are subject to the pledge, claim and
8 charge set forth in Section 25-55 of the Public-Private
9 Partnership for Civic and Transit Infrastructure Project Act.
10 As used in this paragraph, "civic build", "private entity",
11 "public-private agreement", and "public agency" have the
12 meanings provided in Section 25-10 of the Public-Private
13 Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year.....	Total Deposit
2024.....	\$200,000,000
2025.....	\$206,000,000
2026.....	\$212,200,000
2027.....	\$218,500,000
2028.....	\$225,100,000
2029.....	\$288,700,000
2030.....	\$298,900,000
2031.....	\$309,300,000
2032.....	\$320,100,000
2033.....	\$331,200,000
2034.....	\$341,200,000
2035.....	\$351,400,000

1	2036.....	\$361,900,000
2	2037.....	\$372,800,000
3	2038.....	\$384,000,000
4	2039.....	\$395,500,000
5	2040.....	\$407,400,000
6	2041.....	\$419,600,000
7	2042.....	\$432,200,000
8	2043.....	\$445,100,000

9 Beginning July 1, 2021 and until July 1, 2022, subject to
10 the payment of amounts into the County and Mass Transit
11 District Fund, the Local Government Tax Fund, the Build
12 Illinois Fund, the McCormick Place Expansion Project Fund, the
13 Illinois Tax Increment Fund, and the Tax Compliance and
14 Administration Fund as provided in this Section, the
15 Department shall pay each month into the Road Fund the amount
16 estimated to represent 16% of the net revenue realized from
17 the taxes imposed on motor fuel and gasohol. Beginning July 1,
18 2022 and until July 1, 2023, subject to the payment of amounts
19 into the County and Mass Transit District Fund, the Local
20 Government Tax Fund, the Build Illinois Fund, the McCormick
21 Place Expansion Project Fund, the Illinois Tax Increment Fund,
22 and the Tax Compliance and Administration Fund as provided in
23 this Section, the Department shall pay each month into the
24 Road Fund the amount estimated to represent 32% of the net
25 revenue realized from the taxes imposed on motor fuel and
26 gasohol. Beginning July 1, 2023 and until July 1, 2024,

1 subject to the payment of amounts into the County and Mass
2 Transit District Fund, the Local Government Tax Fund, the
3 Build Illinois Fund, the McCormick Place Expansion Project
4 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
5 and Administration Fund as provided in this Section, the
6 Department shall pay each month into the Road Fund the amount
7 estimated to represent 48% of the net revenue realized from
8 the taxes imposed on motor fuel and gasohol. Beginning July 1,
9 2024 and until July 1, 2026, subject to the payment of amounts
10 into the County and Mass Transit District Fund, the Local

11 Government Tax Fund, the Build Illinois Fund, the McCormick
12 Place Expansion Project Fund, the Illinois Tax Increment Fund,
13 and the Tax Compliance and Administration Fund as provided in
14 this Section, the Department shall pay each month into the
15 Road Fund the amount estimated to represent 64% of the net
16 revenue realized from the taxes imposed on motor fuel and
17 gasohol. Beginning on July 1, 2026 and until July 1, 2027,
18 subject to the payment of amounts into the County and Mass
19 Transit District Fund, the Local Government Tax Fund, the
20 Build Illinois Fund, the McCormick Place Expansion Project
21 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
22 and Administration Fund as provided in this Section, the
23 Department shall pay \$12,500,000 each month into the General
24 Revenue Fund before paying into the Public Transportation Fund
25 and the Downstate Public Transportation Fund the amount
26 estimated to represent 80% of the net revenue realized from

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1 the taxes imposed on motor fuel and gasohol. On June 1, 2027,
2 subject to the payment of amounts into the County and Mass
3 Transit District Fund, the Local Government Tax Fund, the
4 Build Illinois Fund, the McCormick Place Expansion Project
5 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
6 and Administration Fund as provided in this Section, the
7 Department shall pay into the Road Fund \$20,000,000 of the net
8 revenue realized from the taxes imposed on motor fuel and
9 gasohol. Beginning on July 1, 2027, subject to the payment of
10 amounts into the County and Mass Transit District Fund, the
11 Local Government Tax Fund, the Build Illinois Fund, the
12 McCormick Place Expansion Project Fund, the Illinois Tax
13 Increment Fund, and the Tax Compliance and Administration Fund
14 as provided in this Section, the Department shall pay each
15 month into the Public Transportation Fund and the Downstate
16 Public Transportation Fund the amount estimated to represent
17 80% of the net revenue realized from the taxes imposed on motor
18 fuel and gasohol. Moneys shall be apportioned as follows: 85%
19 into the Public Transportation Fund and 15% into the Downstate
20 Public Transportation Fund. As used in this paragraph "motor
21 fuel" has the meaning given to that term in Section 1.1 of the
22 Motor Fuel Tax Law, and "gasohol" has the meaning given to that

23 term in Section 3-40 of the Use Tax Act.

24 Until July 1, 2025, of the remainder of the moneys
25 received by the Department pursuant to this Act, 75% thereof
26 shall be paid into the State treasury and 25% shall be reserved

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1 in a special account and used only for the transfer to the
2 Common School Fund as part of the monthly transfer from the
3 General Revenue Fund in accordance with Section 8a of the
4 State Finance Act. Beginning July 1, 2025, of the remainder of
5 the moneys received by the Department pursuant to this Act,
6 75% shall be deposited into the General Revenue Fund and 25%
7 shall be deposited into the Common School Fund.

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

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1 reasonable information which the Department deems would be
2 helpful in determining the accuracy of the monthly, quarterly,

3 or annual returns filed by such retailer as provided for in
4 this Section.

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

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

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

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

26 The provisions of this Section concerning the filing of an

1 annual information return do not apply to a retailer who is not
2 required to file an income tax return with the United States
3 Government.

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

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

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

22 Any person who promotes, organizes, or provides retail
23 selling space for concessionaires or other types of sellers at
24 the Illinois State Fair, DuQuoin State Fair, county fairs,
25 local fairs, art shows, flea markets, and similar exhibitions
26 or events, including any transient merchant as defined by

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1 Section 2 of the Transient Merchant Act of 1987, is required to
2 file a report with the Department providing the name of the
3 merchant's business, the name of the person or persons engaged
4 in merchant's business, the permanent address and Illinois
5 Retailers Occupation Tax Registration Number of the merchant,
6 the dates and location of the event, and other reasonable
7 information that the Department may require. The report must
8 be filed not later than the 20th day of the month next
9 following the month during which the event with retail sales
10 was held. Any person who fails to file a report required by
11 this Section commits a business offense and is subject to a
12 fine not to exceed \$250.

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

1 the exhibition or event, or other evidence of a significant
2 risk of loss of revenue to the State. The Department shall
3 notify concessionaires and other sellers affected by the
4 imposition of this requirement. In the absence of notification
5 by the Department, the concessionaires and other sellers shall
6 file their returns as otherwise required in this Section.
7 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
8 103-363, eff. 7-28-23; 103-592, Article 75, Section 75-20,
9 eff. 1-1-25; 103-592, Article 110, Section 110-20, eff.
10 6-7-24; 103-605, eff. 7-1-24; 103-1055, eff. 12-20-24; 104-6,
11 Article 5, Section 5-25, eff. 6-16-25; 104-6, Article 25,
12 Section 25-20, eff. 6-16-25; 104-6, Article 35, Section 35-35,
13 eff. 6-16-25; 104-457, eff. 6-1-26.)

ARTICLE 160

14

15 Section 160-5. The Service Use Tax Act is amended by
16 changing Section 9 as follows:

17 (35 ILCS 110/9)

18 (Text of Section before amendment by P.A. 104-457)

19 Sec. 9. Each serviceman required or authorized to collect
20 the tax herein imposed shall pay to the Department the amount
21 of such tax (except as otherwise provided) at the time when he
22 is required to file his return for the period during which such
23 tax was collected, less a discount of 2.1% prior to January 1,

1 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
2 year, whichever is greater, which is allowed to reimburse the
3 serviceman for expenses incurred in collecting the tax,
4 keeping records, preparing and filing returns, remitting the
5 tax, and supplying data to the Department on request.

6 Beginning with returns due on or after January 1, 2025, the
7 vendor's discount allowed in this Section, the Retailers'
8 Occupation Tax Act, the Service Occupation Tax Act, and the
9 Use Tax Act, including any local tax administered by the
10 Department and reported on the same return, shall not exceed
11 \$1,000 per month in the aggregate. When determining the
12 discount allowed under this Section, servicemen shall include
13 the amount of tax that would have been due at the 1% rate but
14 for the 0% rate imposed under Public Act 102-700. The discount
15 under this Section is not allowed for the 1.25% portion of
16 taxes paid on aviation fuel that is subject to the revenue use
17 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
18 discount allowed under this Section is allowed only for
19 returns that are filed in the manner required by this Act. The
20 Department may disallow the discount for servicemen whose
21 certificate of registration is revoked at the time the return
22 is filed, but only if the Department's decision to revoke the
23 certificate of registration has become final. A serviceman
24 need not remit that part of any tax collected by him to the
25 extent that he is required to pay and does pay the tax imposed
26 by the Service Occupation Tax Act with respect to his sale of

1 service involving the incidental transfer by him of the same
2 property.

3 Except as provided hereinafter in this Section, on or
4 before the twentieth day of each calendar month, such
5 serviceman shall file a return for the preceding calendar
6 month in accordance with reasonable Rules and Regulations to
7 be promulgated by the Department. Such return shall be filed
8 on a form prescribed by the Department and shall contain such
9 information as the Department may reasonably require. The
10 return shall include the gross receipts which were received
11 during the preceding calendar month or quarter on the
12 following items upon which tax would have been due but for the
13 0% rate imposed under Public Act 102-700: (i) food for human
14 consumption that is to be consumed off the premises where it is
15 sold (other than alcoholic beverages, food consisting of or
16 infused with adult use cannabis, soft drinks, and food that
17 has been prepared for immediate consumption); and (ii) food

18 prepared for immediate consumption and transferred incident to
19 a sale of service subject to this Act or the Service Occupation
20 Tax Act by an entity licensed under the Hospital Licensing
21 Act, the Nursing Home Care Act, the Assisted Living and Shared
22 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
23 Specialized Mental Health Rehabilitation Act of 2013, or the
24 Child Care Act of 1969, or an entity that holds a permit issued
25 pursuant to the Life Care Facilities Act. The return shall
26 also include the amount of tax that would have been due on the

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1 items listed in the previous sentence but for the 0% rate
2 imposed under Public Act 102-700.

3 In the case of leases, except as otherwise provided in
4 this Act, the lessor, in collecting the tax, may collect for
5 each tax return period only the tax applicable to that part of
6 the selling price actually received during such tax return
7 period.

8 On and after January 1, 2018, with respect to servicemen
9 whose annual gross receipts average \$20,000 or more, all
10 returns required to be filed pursuant to this Act shall be
11 filed electronically. Servicemen who demonstrate that they do
12 not have access to the Internet or demonstrate hardship in
13 filing electronically may petition the Department to waive the
14 electronic filing requirement.

15 The Department may require returns to be filed on a
16 quarterly basis. If so required, a return for each calendar
17 quarter shall be filed on or before the twentieth day of the
18 calendar month following the end of such calendar quarter. The
19 taxpayer shall also file a return with the Department for each
20 of the first 2 ~~two~~ months of each calendar quarter, on or
21 before the twentieth day of the following calendar month,
22 stating:

- 23 1. The name of the seller;
- 24 2. The address of the principal place of business from
25 which he engages in business as a serviceman in this
26 State;

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

5 4. The amount of credit provided in Section 2d of this
6 Act;

7 5. The amount of tax due;

8 5-5. The signature of the taxpayer; and

9 6. Such other reasonable information as the Department
10 may require.

11 Each serviceman required or authorized to collect the tax
12 imposed by this Act on aviation fuel transferred as an
13 incident of a sale of service in this State during the
14 preceding calendar month shall, instead of reporting and
15 paying tax on aviation fuel as otherwise required by this
16 Section, report and pay such tax on a separate aviation fuel
17 tax return. The requirements related to the return shall be as
18 otherwise provided in this Section. Notwithstanding any other
19 provisions of this Act to the contrary, servicemen collecting
20 tax on aviation fuel shall file all aviation fuel tax returns
21 and shall make all aviation fuel tax payments by electronic
22 means in the manner and form required by the Department. For
23 purposes of this Section, "aviation fuel" means jet fuel and
24 aviation gasoline.

25 If a taxpayer fails to sign a return within 30 days after
26 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be
2 due on the return shall be deemed assessed.

3 Notwithstanding any other provision of this Act to the
4 contrary, servicemen subject to tax on cannabis shall file all
5 cannabis tax returns and shall make all cannabis tax payments
6 by electronic means in the manner and form required by the

7 Department.

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

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

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

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

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

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

22 If the serviceman is otherwise required to file a monthly
23 return and if the serviceman's average monthly tax liability
24 to the Department does not exceed \$200, the Department may
25 authorize his returns to be filed on a quarter annual basis,
26 with the return for January, February, and March of a given

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1 year being due by April 20 of such year; with the return for
2 April, May, and June of a given year being due by July 20 of
3 such year; with the return for July, August, and September of a
4 given year being due by October 20 of such year, and with the
5 return for October, November, and December of a given year
6 being due by January 20 of the following year.

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

13 Such quarter annual and annual returns, as to form and
14 substance, shall be subject to the same requirements as
15 monthly returns.

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

23 Where a serviceman collects the tax with respect to the
24 selling price of property which he sells and the purchaser
25 thereafter returns such property and the serviceman refunds
26 the selling price thereof to the purchaser, such serviceman

1 shall also refund, to the purchaser, the tax so collected from
2 the purchaser. When filing his return for the period in which
3 he refunds such tax to the purchaser, the serviceman may
4 deduct the amount of the tax so refunded by him to the
5 purchaser from any other Service Use Tax, Service Occupation
6 Tax, retailers' occupation tax, or use tax which such
7 serviceman may be required to pay or remit to the Department,
8 as shown by such return, provided that the amount of the tax to
9 be deducted shall previously have been remitted to the
10 Department by such serviceman. If the serviceman shall not
11 previously have remitted the amount of such tax to the
12 Department, he shall be entitled to no deduction hereunder
13 upon refunding such tax to the purchaser.

14 Any serviceman filing a return hereunder shall also
15 include the total tax upon the selling price of tangible
16 personal property purchased for use by him as an incident to a
17 sale of service, and such serviceman shall remit the amount of
18 such tax to the Department when filing such return.

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

25 Where the serviceman has more than one business registered
26 with the Department under separate registration hereunder,

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

4 Beginning January 1, 1990, each month the Department shall
5 pay into the State and Local Tax Reform Fund, a special fund in
6 the State treasury, the net revenue realized for the preceding
7 month from the 1% tax imposed under this Act.

8 Beginning January 1, 1990, each month the Department shall
9 pay into the State and Local Sales Tax Reform Fund 20% of the
10 net revenue realized for the preceding month from the 6.25%

11 general rate on transfers of tangible personal property, other
12 than (i) tangible personal property which is purchased outside
13 Illinois at retail from a retailer and which is titled or
14 registered by an agency of this State's government and (ii)
15 aviation fuel sold on or after December 1, 2019. This
16 exception for aviation fuel only applies for so long as the
17 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
18 47133 are binding on the State.

19 For aviation fuel sold on or after December 1, 2019, each
20 month the Department shall pay into the State Aviation Program
21 Fund 20% of the net revenue realized for the preceding month
22 from the 6.25% general rate on the selling price of aviation
23 fuel, less an amount estimated by the Department to be
24 required for refunds of the 20% portion of the tax on aviation
25 fuel under this Act, which amount shall be deposited into the
26 Aviation Fuel Sales Tax Refund Fund. The Department shall only

1 pay moneys into the State Aviation Program Fund and the
2 Aviation Fuel Sales Tax Refund Fund under this Act for so long
3 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
4 U.S.C. 47133 are binding on the State.

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

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

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

23 payment into the Underground Storage Tank Fund under this Act,
24 the Use Tax Act, the Service Occupation Tax Act, and the
25 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in
26 any State fiscal year. As used in this paragraph, the "average

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1 monthly deficit" shall be equal to the difference between the
2 average monthly claims for payment by the fund and the average
3 monthly revenues deposited into the fund, excluding payments
4 made pursuant to this paragraph.

5 Beginning July 1, 2015, of the remainder of the moneys
6 received by the Department under the Use Tax Act, this Act, the
7 Service Occupation Tax Act, and the Retailers' Occupation Tax
8 Act, each month the Department shall deposit \$500,000 into the
9 State Crime Laboratory Fund.

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

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1 difference shall be immediately paid into the Build Illinois
2 Fund from other moneys received by the Department pursuant to

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

1 issued thereafter and all fees and costs payable with respect
2 thereto, all as certified by the Director of the Bureau of the
3 Budget (now Governor's Office of Management and Budget). If on
4 the last business day of any month in which Bonds are
5 outstanding pursuant to the Build Illinois Bond Act, the
6 aggregate of the moneys deposited into ~~in~~ the Build Illinois
7 Bond Account in the Build Illinois Fund in such month shall be
8 less than the amount required to be transferred in such month
9 from the Build Illinois Bond Account to the Build Illinois
10 Bond Retirement and Interest Fund pursuant to Section 13 of
11 the Build Illinois Bond Act, an amount equal to such
12 deficiency shall be immediately paid from other moneys
13 received by the Department pursuant to the Tax Acts to the
14 Build Illinois Fund; provided, however, that any amounts paid

15 to the 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 preceding sentence and shall reduce the
18 amount otherwise payable for such fiscal year pursuant to
19 clause (b) of the preceding sentence. The moneys received by
20 the Department pursuant to this Act and required to be
21 deposited into the Build Illinois Fund are subject to the
22 pledge, claim and charge set forth in Section 12 of the Build
23 Illinois Bond 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

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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 the 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.

10	Fiscal Year	Total Deposit
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

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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	300,000,000
15	2022	300,000,000
16	2023	300,000,000
17	2024	300,000,000
18	2025	300,000,000
19	2026	300,000,000
20	2027	375,000,000
21	2028	375,000,000
22	2029	375,000,000
23	2030	375,000,000
24	2031	375,000,000
25	2032	375,000,000
26	2033	375,000,000

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1	2034	375,000,000

2	2035	375,000,000
3	2036	450,000,000
4	and	
5	each fiscal year	
6	thereafter that bonds	
7	are outstanding under	
8	Section 13.2 of the	
9	Metropolitan Pier and	
10	Exposition Authority Act,	
11	but not after fiscal year 2060.	

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

25 Subject to payment of amounts into the Capital Projects
26 Fund, the Clean Air Act Permit Fund, 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, for aviation fuel sold on or after December 1, 2019,
4 the Department shall each month deposit into the Aviation Fuel
5 Sales Tax Refund Fund an amount estimated by the Department to
6 be required for refunds of the 80% portion of the tax on
7 aviation fuel under this Act. The Department shall only
8 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
9 under this paragraph for so long as the revenue use
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
11 binding on the State.

12 Subject to payment of amounts into the Build Illinois Fund

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

20 Subject to payment of amounts into the Build Illinois
21 Fund, the McCormick Place Expansion Project Fund, the Illinois
22 Tax Increment Fund, pursuant to the preceding paragraphs or in
23 any amendments to this Section hereafter enacted, beginning on
24 the first day of the first calendar month to occur on or after
25 August 26, 2014 (the effective date of Public Act 98-1098),
26 each month, from the collections made under Section 9 of the

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1 Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of
2 the Service Occupation Tax Act, and Section 3 of the
3 Retailers' Occupation Tax Act, the Department shall pay into
4 the Tax Compliance and Administration Fund, to be used,
5 subject to appropriation, to fund additional auditors and
6 compliance personnel at the Department of Revenue, an amount
7 equal to 1/12 of 5% of 80% of the cash receipts collected
8 during the preceding fiscal year by the Audit Bureau of the
9 Department under the Use Tax Act, the Service Use Tax Act, the
10 Service Occupation Tax Act, the Retailers' Occupation Tax Act,
11 and associated local occupation and use taxes administered by
12 the Department.

13 Subject to payments of amounts into the Build Illinois
14 Fund, the McCormick Place Expansion Project Fund, the Illinois
15 Tax Increment Fund, and the Tax Compliance and Administration
16 Fund as provided in this Section, beginning on July 1, 2018 the
17 Department shall pay each month into the Downstate Public
18 Transportation Fund the moneys required to be so paid under
19 Section 2-3 of the Downstate Public Transportation Act.

20 Subject to successful execution and delivery of a
21 public-private agreement between the public agency and private
22 entity and completion of the civic build, beginning on July 1,
23 2023, of the remainder of the moneys received by the
24 Department under the Use Tax Act, the Service Use Tax Act, the

25 Service Occupation Tax Act, and this Act, the Department shall
26 deposit the following specified deposits in the aggregate from

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1 collections under the Use Tax Act, the Service Use Tax Act, the
2 Service Occupation Tax Act, and the Retailers' Occupation Tax
3 Act, as required under Section 8.25g of the State Finance Act
4 for distribution consistent with the Public-Private
5 Partnership for Civic and Transit Infrastructure Project Act.
6 The moneys received by the Department pursuant to this Act and
7 required to be deposited into the Civic and Transit
8 Infrastructure Fund are subject to the pledge, claim, and
9 charge set forth in Section 25-55 of the Public-Private
10 Partnership for Civic and Transit Infrastructure Project Act.
11 As used in this paragraph, "civic build", "private entity",
12 "public-private agreement", and "public agency" have the
13 meanings provided in Section 25-10 of the Public-Private
14 Partnership for Civic and Transit Infrastructure Project Act.

15	Fiscal Year.....	Total Deposit
16	2024.....	\$200,000,000
17	2025.....	\$206,000,000
18	2026.....	\$212,200,000
19	2027.....	\$218,500,000
20	2028.....	\$225,100,000
21	2029.....	\$288,700,000
22	2030.....	\$298,900,000
23	2031.....	\$309,300,000
24	2032.....	\$320,100,000
25	2033.....	\$331,200,000
26	2034.....	\$341,200,000

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1	2035.....	\$351,400,000
2	2036.....	\$361,900,000
3	2037.....	\$372,800,000
4	2038.....	\$384,000,000

5 2039.....\$395,500,000
6 2040.....\$407,400,000
7 2041.....\$419,600,000
8 2042.....\$432,200,000
9 2043.....\$445,100,000

10 Beginning July 1, 2021 and until July 1, 2022, subject to
11 the payment of amounts into the State and Local Sales Tax
12 Reform Fund, the Build Illinois Fund, the McCormick Place
13 Expansion Project Fund, the Energy Infrastructure Fund, and
14 the Tax Compliance and Administration Fund as provided in this
15 Section, the Department shall pay each month into the Road
16 Fund the amount estimated to represent 16% of the net revenue
17 realized from the taxes imposed on motor fuel and gasohol.
18 Beginning July 1, 2022 and until July 1, 2023, subject to the
19 payment of amounts into the State and Local Sales Tax Reform
20 Fund, the Build Illinois Fund, the McCormick Place Expansion
21 Project Fund, the Illinois Tax Increment Fund, and the Tax
22 Compliance and Administration Fund as provided in this
23 Section, the Department shall pay each month into the Road
24 Fund the amount estimated to represent 32% of the net revenue
25 realized from the taxes imposed on motor fuel and gasohol.
26 Beginning July 1, 2023 and until July 1, 2024, subject to the

1 payment of amounts into the State and Local Sales Tax Reform
2 Fund, the Build Illinois Fund, the McCormick Place Expansion
3 Project Fund, the Illinois Tax Increment Fund, and the Tax
4 Compliance and Administration Fund as provided in this
5 Section, the Department shall pay each month into the Road
6 Fund the amount estimated to represent 48% of the net revenue
7 realized from the taxes imposed on motor fuel and gasohol.
8 Beginning July 1, 2024 and until July 1, 2026, subject to the
9 payment of amounts into the State and Local Sales Tax Reform
10 Fund, the Build Illinois Fund, the McCormick Place Expansion
11 Project Fund, the Illinois Tax Increment Fund, and the Tax
12 Compliance and Administration Fund as provided in this
13 Section, the Department shall pay each month into the Road
14 Fund the amount estimated to represent 64% of the net revenue
15 realized from the taxes imposed on motor fuel and gasohol.
16 Beginning on July 1, 2026, subject to the payment of amounts

17 into the State and Local Sales Tax Reform Fund, the Build
18 Illinois Fund, the McCormick Place Expansion Project Fund, the
19 Illinois Tax Increment Fund, and the Tax Compliance and
20 Administration Fund as provided in this Section, the
21 Department shall pay each month into the Road Fund the amount
22 estimated to represent 80% of the net revenue realized from
23 the taxes imposed on motor fuel and gasohol. As used in this
24 paragraph "motor fuel" has the meaning given to that term in
25 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the
26 meaning given to that term in Section 3-40 of the Use Tax Act.

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1 Until July 1, 2025, of the remainder of the moneys
2 received by the Department pursuant to this Act, 75% thereof
3 shall be paid into the General Revenue Fund of the State
4 treasury and 25% shall be reserved in a special account and
5 used only for the transfer to the Common School Fund as part of
6 the monthly transfer from the General Revenue Fund in
7 accordance with Section 8a of the State Finance Act. Beginning
8 July 1, 2025, of the remainder of the moneys received by the
9 Department pursuant to this Act, 75% shall be deposited into
10 the General Revenue Fund and 25% shall be deposited into the
11 Common School Fund.

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

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

23 (Source: P.A. 103-363, eff. 7-28-23; 103-592, Article 75,
24 Section 75-10, eff. 1-1-25; 103-592, Article 110, Section
25 110-10, eff. 6-7-24; 104-6, Article 5, Section 5-15, eff.
26 6-16-25; 104-6, Article 35, Section 35-25, eff. 6-16-25;

1 104-417, eff. 8-15-25; revised 9-10-25.)

2 (Text of Section after amendment by P.A. 104-457)

3 Sec. 9. Each serviceman required or authorized to collect
4 the tax herein imposed shall pay to the Department the amount
5 of such tax (except as otherwise provided) at the time when he
6 is required to file his return for the period during which such
7 tax was collected, less a discount of 2.1% prior to January 1,
8 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
9 year, whichever is greater, which is allowed to reimburse the
10 serviceman for expenses incurred in collecting the tax,
11 keeping records, preparing and filing returns, remitting the
12 tax, and supplying data to the Department on request.
13 Beginning with returns due on or after January 1, 2025, the
14 vendor's discount allowed in this Section, the Retailers'
15 Occupation Tax Act, the Service Occupation Tax Act, and the
16 Use Tax Act, including any local tax administered by the
17 Department and reported on the same return, shall not exceed
18 \$1,000 per month in the aggregate. When determining the
19 discount allowed under this Section, servicemen shall include
20 the amount of tax that would have been due at the 1% rate but
21 for the 0% rate imposed under Public Act 102-700. The discount
22 under this Section is not allowed for the 1.25% portion of
23 taxes paid on aviation fuel that is subject to the revenue use
24 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
25 discount allowed under this Section is allowed only for

1 returns that are filed in the manner required by this Act. The
2 Department may disallow the discount for servicemen whose
3 certificate of registration is revoked at the time the return
4 is filed, but only if the Department's decision to revoke the
5 certificate of registration has become final. A serviceman
6 need not remit that part of any tax collected by him to the
7 extent that he is required to pay and does pay the tax imposed
8 by the Service Occupation Tax Act with respect to his sale of

9 service involving the incidental transfer by him of the same
10 property.

11 Except as provided hereinafter in this Section, on or
12 before the twentieth day of each calendar month, such
13 serviceman shall file a return for the preceding calendar
14 month in accordance with reasonable Rules and Regulations to
15 be promulgated by the Department. Such return shall be filed
16 on a form prescribed by the Department and shall contain such
17 information as the Department may reasonably require. The
18 return shall include the gross receipts which were received
19 during the preceding calendar month or quarter on the
20 following items upon which tax would have been due but for the
21 0% rate imposed under Public Act 102-700: (i) food for human
22 consumption that is to be consumed off the premises where it is
23 sold (other than alcoholic beverages, food consisting of or
24 infused with adult use cannabis, soft drinks, and food that
25 has been prepared for immediate consumption); and (ii) food
26 prepared for immediate consumption and transferred incident to

1 a sale of service subject to this Act or the Service Occupation
2 Tax Act by an entity licensed under the Hospital Licensing
3 Act, the Nursing Home Care Act, the Assisted Living and Shared
4 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
5 Specialized Mental Health Rehabilitation Act of 2013, or the
6 Child Care Act of 1969, or an entity that holds a permit issued
7 pursuant to the Life Care Facilities Act. The return shall
8 also include the amount of tax that would have been due on the
9 items listed in the previous sentence but for the 0% rate
10 imposed under Public Act 102-700.

11 In the case of leases, except as otherwise provided in
12 this Act, the lessor, in collecting the tax, may collect for
13 each tax return period only the tax applicable to that part of
14 the selling price actually received during such tax return
15 period.

16 On and after January 1, 2018, with respect to servicemen
17 whose annual gross receipts average \$20,000 or more, all
18 returns required to be filed pursuant to this Act shall be
19 filed electronically. Servicemen who demonstrate that they do
20 not have access to the Internet or demonstrate hardship in

21 filing electronically may petition the Department to waive the
22 electronic filing requirement.

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

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

- 5 1. The name of the seller;
- 6 2. The address of the principal place of business from
7 which he engages in business as a serviceman in this
8 State;
- 9 3. The total amount of taxable receipts received by
10 him during the preceding calendar month, including
11 receipts from charge and time sales, but less all
12 deductions allowed by law;
- 13 4. The amount of credit provided in Section 2d of this
14 Act;
- 15 5. The amount of tax due;
- 16 5-5. The signature of the taxpayer; and
- 17 6. Such other reasonable information as the Department
18 may require.

19 Each serviceman required or authorized to collect the tax
20 imposed by this Act on aviation fuel transferred as an
21 incident of a sale of service in this State during the
22 preceding calendar month shall, instead of reporting and
23 paying tax on aviation fuel as otherwise required by this
24 Section, report and pay such tax on a separate aviation fuel
25 tax return. The requirements related to the return shall be as
26 otherwise provided in this Section. Notwithstanding any other

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1 provisions of this Act to the contrary, servicemen collecting
2 tax on aviation fuel shall file all aviation fuel tax returns
3 and shall make all aviation fuel tax payments by electronic
4 means in the manner and form required by the Department. For
5 purposes of this Section, "aviation fuel" means jet fuel and
6 aviation gasoline.

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

11 Notwithstanding any other provision of this Act to the
12 contrary, servicemen subject to tax on cannabis shall file all
13 cannabis tax returns and shall make all cannabis tax payments
14 by electronic means in the manner and form required by the
15 Department.

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

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

13 Department of Revenue Law shall make all payments required by
14 rules of the Department by electronic funds transfer.

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

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

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

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1 The Department shall adopt such rules as are necessary to
2 effectuate a program of electronic funds transfer and the
3 requirements of this Section.

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

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

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

24 Notwithstanding any other provision in this Act concerning

25 the time within which a serviceman may file his return, in the
26 case of any serviceman who ceases to engage in a kind of

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1 business which makes him responsible for filing returns under
2 this Act, such serviceman shall file a final return under this
3 Act with the Department not more than one month after
4 discontinuing such business.

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

22 Any serviceman filing a return hereunder shall also
23 include the total tax upon the selling price of tangible
24 personal property purchased for use by him as an incident to a
25 sale of service, and such serviceman shall remit the amount of
26 such tax to the Department when filing such return.

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1 If experience indicates such action to be practicable, the
2 Department may prescribe and furnish a combination or joint
3 return which will enable servicemen, who are required to file
4 returns hereunder and also under the Service Occupation Tax

5 Act, to furnish all the return information required by both
6 Acts on the one form.

7 Where the serviceman has more than one business registered
8 with the Department under separate registration hereunder,
9 such serviceman shall not file each return that is due as a
10 single return covering all such registered businesses, but
11 shall file separate returns for each such registered business.

12 Beginning January 1, 1990, each month the Department shall
13 pay into the State and Local Tax Reform Fund, a special fund in
14 the State treasury, the net revenue realized for the preceding
15 month from the 1% tax imposed under this Act.

16 Beginning January 1, 1990, each month the Department shall
17 pay into the State and Local Sales Tax Reform Fund 20% of the
18 net revenue realized for the preceding month from the 6.25%
19 general rate on transfers of tangible personal property, other
20 than (i) tangible personal property which is purchased outside
21 Illinois at retail from a retailer and which is titled or
22 registered by an agency of this State's government and (ii)
23 aviation fuel sold on or after December 1, 2019. This
24 exception for aviation fuel only applies for so long as the
25 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
26 47133 are binding on the State.

1 For aviation fuel sold on or after December 1, 2019, each
2 month the Department shall pay into the State Aviation Program
3 Fund 20% of the net revenue realized for the preceding month
4 from the 6.25% general rate on the selling price of aviation
5 fuel, less an amount estimated by the Department to be
6 required for refunds of the 20% portion of the tax on aviation
7 fuel under this Act, which amount shall be deposited into the
8 Aviation Fuel Sales Tax Refund Fund. The Department shall only
9 pay moneys into the State Aviation Program Fund and the
10 Aviation Fuel Sales Tax Refund Fund under this Act for so long
11 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
12 U.S.C. 47133 are binding on the State.

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

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

24 Beginning July 1, 2013, each month the Department shall
25 pay into the Underground Storage Tank Fund from the proceeds
26 collected under this Act, the Use Tax Act, the Service

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

13 Beginning July 1, 2015, of the remainder of the moneys
14 received by the Department under the Use Tax Act, this Act, the
15 Service Occupation Tax Act, and the Retailers' Occupation Tax
16 Act, each month the Department shall deposit \$500,000 into the
17 State Crime Laboratory Fund.

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 Bond Account
14 in the 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
3 securing Bonds issued and outstanding pursuant to the Build
4 Illinois Bond Act is sufficient, taking into account any
5 future investment income, to fully provide, in accordance with
6 such 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 into ~~in~~ the Build Illinois
15 Bond Account in the Build Illinois Fund in such month shall be
16 less than the amount required to be transferred in such month
17 from the Build Illinois Bond Account to the Build Illinois
18 Bond Retirement and Interest Fund pursuant to Section 13 of
19 the Build Illinois Bond Act, an amount equal to such
20 deficiency shall be immediately paid from other moneys
21 received by the Department pursuant to the Tax Acts to the
22 Build Illinois Fund; provided, however, that any amounts paid
23 to the Build Illinois Fund in any fiscal year pursuant to this
24 sentence shall be deemed to constitute payments pursuant to
25 clause (b) of the preceding sentence and shall reduce the
26 amount otherwise payable for such fiscal year pursuant to

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

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

18	Fiscal Year	Total Deposit
19	1993	\$0

20	1994	53,000,000
21	1995	58,000,000
22	1996	61,000,000
23	1997	64,000,000
24	1998	68,000,000
25	1999	71,000,000

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1	2000	75,000,000
2	2001	80,000,000
3	2002	93,000,000
4	2003	99,000,000
5	2004	103,000,000
6	2005	108,000,000
7	2006	113,000,000
8	2007	119,000,000
9	2008	126,000,000
10	2009	132,000,000
11	2010	139,000,000
12	2011	146,000,000
13	2012	153,000,000
14	2013	161,000,000
15	2014	170,000,000
16	2015	179,000,000
17	2016	189,000,000
18	2017	199,000,000
19	2018	210,000,000
20	2019	221,000,000
21	2020	233,000,000
22	2021	300,000,000
23	2022	300,000,000
24	2023	300,000,000
25	2024	300,000,000
26	2025	300,000,000

1	2026	300,000,000
2	2027	375,000,000
3	2028	375,000,000
4	2029	375,000,000
5	2030	375,000,000
6	2031	375,000,000
7	2032	375,000,000
8	2033	375,000,000
9	2034	375,000,000
10	2035	375,000,000
11	2036	450,000,000

12 and
13 each fiscal year
14 thereafter that bonds
15 are outstanding under
16 Section 13.2 of the
17 Metropolitan Pier and
18 Exposition Authority Act,
19 but not after fiscal year 2060.

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

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

6 Deposit", has been deposited.

7 Subject to payment of amounts into the Capital Projects
8 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
9 and the McCormick Place Expansion Project Fund pursuant to the
10 preceding paragraphs or in any amendments thereto hereafter
11 enacted, for aviation fuel sold on or after December 1, 2019,
12 the Department shall each month deposit into the Aviation Fuel
13 Sales Tax Refund Fund an amount estimated by the Department to
14 be required for refunds of the 80% portion of the tax on
15 aviation fuel under this Act. The Department shall only
16 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
17 under this paragraph for so long as the revenue use
18 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
19 binding on the State.

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

1 price of tangible personal property.

2 Subject to payment of amounts into the Build Illinois
3 Fund, the McCormick Place Expansion Project Fund, the Illinois
4 Tax Increment Fund, pursuant to the preceding paragraphs or in
5 any amendments to this Section hereafter enacted, beginning on
6 the first day of the first calendar month to occur on or after
7 August 26, 2014 (the effective date of Public Act 98-1098),
8 each month, from the collections made under Section 9 of the
9 Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of
10 the Service Occupation Tax Act, and Section 3 of the
11 Retailers' Occupation Tax Act, the Department shall pay into
12 the Tax Compliance and Administration Fund, to be used,
13 subject to appropriation, to fund additional auditors and
14 compliance personnel at the Department of Revenue, an amount
15 equal to 1/12 of 5% of 80% of the cash receipts collected
16 during the preceding fiscal year by the Audit Bureau of the
17 Department under the Use Tax Act, the Service Use Tax Act, the

18 Service Occupation Tax Act, the Retailers' Occupation Tax Act,
19 and associated local occupation and use taxes administered by
20 the Department.

21 Subject to payments of amounts into the Build Illinois
22 Fund, the McCormick Place Expansion Project Fund, the Illinois
23 Tax Increment Fund, and the Tax Compliance and Administration
24 Fund as provided in this Section, beginning on July 1, 2018 the
25 Department shall pay each month into the Downstate Public
26 Transportation Fund the moneys required to be so paid under

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1 Section 2-3 of the Downstate Public Transportation Act.

2 Subject to successful execution and delivery of a
3 public-private agreement between the public agency and private
4 entity and completion of the civic build, beginning on July 1,
5 2023, of the remainder of the moneys received by the
6 Department under the Use Tax Act, the Service Use Tax Act, the
7 Service Occupation Tax Act, and this Act, the Department shall
8 deposit the following specified deposits in the aggregate from
9 collections under the Use Tax Act, the Service Use Tax Act, the
10 Service Occupation Tax Act, and the Retailers' Occupation Tax
11 Act, as required under Section 8.25g of the State Finance Act
12 for distribution consistent with the Public-Private
13 Partnership for Civic and Transit Infrastructure Project Act.
14 The moneys received by the Department pursuant to this Act and
15 required to be deposited into the Civic and Transit
16 Infrastructure Fund are subject to the pledge, claim, and
17 charge set forth in Section 25-55 of the Public-Private
18 Partnership for Civic and Transit Infrastructure Project Act.
19 As used in this paragraph, "civic build", "private entity",
20 "public-private agreement", and "public agency" have the
21 meanings provided in Section 25-10 of the Public-Private
22 Partnership for Civic and Transit Infrastructure Project Act.

23	Fiscal Year.....	Total Deposit
24	2024.....	\$200,000,000
25	2025.....	\$206,000,000
26	2026.....	\$212,200,000

1	2027.....	\$218,500,000
2	2028.....	\$225,100,000
3	2029.....	\$288,700,000
4	2030.....	\$298,900,000
5	2031.....	\$309,300,000
6	2032.....	\$320,100,000
7	2033.....	\$331,200,000
8	2034.....	\$341,200,000
9	2035.....	\$351,400,000
10	2036.....	\$361,900,000
11	2037.....	\$372,800,000
12	2038.....	\$384,000,000
13	2039.....	\$395,500,000
14	2040.....	\$407,400,000
15	2041.....	\$419,600,000
16	2042.....	\$432,200,000
17	2043.....	\$445,100,000

18 Beginning July 1, 2021 and until July 1, 2022, subject to
19 the payment of amounts into the State and Local Sales Tax
20 Reform Fund, the Build Illinois Fund, the McCormick Place
21 Expansion Project Fund, the Energy Infrastructure Fund, and
22 the Tax Compliance and Administration Fund as provided in this
23 Section, the Department shall pay each month into the Road
24 Fund the amount estimated to represent 16% of the net revenue
25 realized from the taxes imposed on motor fuel and gasohol.
26 Beginning July 1, 2022 and until July 1, 2023, subject to the

1 payment of amounts into the State and Local Sales Tax Reform
2 Fund, the Build Illinois Fund, the McCormick Place Expansion
3 Project Fund, the Illinois Tax Increment Fund, and the Tax
4 Compliance and Administration Fund as provided in this
5 Section, the Department shall pay each month into the Road
6 Fund the amount estimated to represent 32% of the net revenue

7 realized from the taxes imposed on motor fuel and gasohol.
8 Beginning July 1, 2023 and until July 1, 2024, subject to the
9 payment of amounts into the State and Local Sales Tax Reform
10 Fund, the Build Illinois Fund, the McCormick Place Expansion
11 Project Fund, the Illinois Tax Increment Fund, and the Tax
12 Compliance and Administration Fund as provided in this
13 Section, the Department shall pay each month into the Road
14 Fund the amount estimated to represent 48% of the net revenue
15 realized from the taxes imposed on motor fuel and gasohol.
16 Beginning July 1, 2024 and until July 1, 2026, subject to the
17 payment of amounts into the State and Local Sales Tax Reform
18 Fund, the Build Illinois Fund, the McCormick Place Expansion
19 Project Fund, the Illinois Tax Increment Fund, and the Tax
20 Compliance and Administration Fund as provided in this
21 Section, the Department shall pay each month into the Road
22 Fund the amount estimated to represent 64% of the net revenue
23 realized from the taxes imposed on motor fuel and gasohol.
24 Beginning on July 1, 2026, subject to the payment of amounts
25 into the State and Local Sales Tax Reform Fund, the Build
26 Illinois Fund, the McCormick Place Expansion Project Fund, the

1 Illinois Tax Increment Fund, and the Tax Compliance and
2 Administration Fund as provided in this Section, the
3 Department shall pay each month into the Public Transportation
4 Fund and the Downstate Public Transportation Fund the amount
5 estimated to represent 80% of the net revenue realized from
6 the taxes imposed on motor fuel and gasohol. Those moneys
7 shall be apportioned as follows: 85% into the Public
8 Transportation Fund and 15% into the Downstate Public
9 Transportation Fund. As used in this paragraph "motor fuel"
10 has the meaning given to that term in Section 1.1 of the Motor
11 Fuel Tax Law, and "gasohol" has the meaning given to that term
12 in Section 3-40 of the Use Tax Act.

13 Until July 1, 2025, of the remainder of the moneys
14 received by the Department pursuant to this Act, 75% thereof
15 shall be paid into the General Revenue Fund of the State
16 treasury and 25% shall be reserved in a special account and
17 used only for the transfer to the Common School Fund as part of
18 the monthly transfer from the General Revenue Fund in

19 accordance with Section 8a of the State Finance Act. Beginning
20 July 1, 2025, of the remainder of the moneys received by the
21 Department pursuant to this Act, 75% shall be deposited into
22 the General Revenue Fund and 25% shall be deposited into the
23 Common School Fund.

24 As soon as possible after the first day of each month, upon
25 certification of the Department of Revenue, the Comptroller
26 shall order transferred and the Treasurer shall transfer from

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

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

9 (Source: P.A. 103-363, eff. 7-28-23; 103-592, Article 75,
10 Section 75-10, eff. 1-1-25; 103-592, Article 110, Section
11 110-10, eff. 6-7-24; 104-6, Article 5, Section 5-15, eff.
12 6-16-25; 104-6, Article 35, Section 35-25, eff. 6-16-25;
13 104-417, eff. 8-15-25; 104-457, eff. 6-1-26; revised 1-12-26.)

ARTICLE 805

14

15 Section 805-5. The Illinois Municipal Code is amended by
16 changing Sections 8-3-14b and 8-3-14c and by adding Section
17 8-3-14d as follows:

18 (65 ILCS 5/8-3-14b)

19 (Section scheduled to be repealed on January 1, 2027)

20 Sec. 8-3-14b. Municipal hotel operators' tax in DuPage
21 County. For any municipality located within DuPage County that
22 belongs to a not-for-profit organization headquartered in
23 DuPage County that is recognized by the Department of Commerce

1 and Economic Opportunity as a certified local tourism and
2 convention bureau entitled to receive State tourism grant
3 funds, not less than 75% of the amounts collected pursuant to
4 Section 8-3-14 shall be expended by the municipality to
5 promote tourism and conventions within that municipality or
6 otherwise to attract nonresident overnight visitors to the
7 municipality, and the remainder of the amounts collected by a
8 municipality within DuPage County pursuant to Section 8-3-14
9 may be expended by the municipality for economic development
10 or capital infrastructure.

11 This Section is repealed on January 1, 2029 ~~2027~~.

12 (Source: P.A. 102-699, eff. 4-19-22; 103-601, eff. 7-1-24.)

13 (65 ILCS 5/8-3-14c)

14 (Section scheduled to be repealed on January 1, 2027)

15 Sec. 8-3-14c. Municipal hotel use tax in DuPage County.

16 For any municipality located within DuPage County that belongs
17 to a not-for-profit organization headquartered in DuPage
18 County that is recognized by the Department of Commerce and
19 Economic Opportunity as a certified local tourism and
20 convention bureau entitled to receive State tourism grant
21 funds, not less than 75% of the amounts collected pursuant to
22 Section 8-3-14a shall be expended by the municipality to
23 promote tourism and conventions within that municipality or
24 otherwise to attract nonresident overnight visitors to the
25 municipality, and the remainder of the amounts collected by a

1 municipality within DuPage County pursuant to Section 8-3-14a
2 may be expended by the municipality for economic development
3 or capital infrastructure.

4 This Section is repealed on January 1, 2029 ~~2027~~.

5 (Source: P.A. 102-699, eff. 4-19-22; 103-601, eff. 7-1-24.)

6 (65 ILCS 5/8-3-14d new)

7 Sec. 8-3-14d. Municipal hotel operators' occupation and
8 use tax reporting.

9 (a) The corporate authorities of a municipality that

10 imposes a tax under Section 8-3-14, Section 8-3-14a, Section
11 8-3-14b, or Section 8-3-14c of this Act shall prepare an
12 annual report on (i) the estimated and actual collections of
13 the tax, (ii) the estimated and actual expenditures of the
14 proceeds of the tax, and (iii) a financial accounting and
15 narrative of how the expenditures of the tax have supported
16 increased overnight hotel room stays, conventions, group
17 travel, meetings and visitor spending within that
18 municipality.

19 (b) The annual reports required by this Section shall be
20 made publicly available by publication in a local newspaper of
21 general circulation in the municipality or by publication on
22 the municipality's Internet website. Annual reports published
23 online must be maintained on the municipality's website for a
24 period of not less than 5 years.

25 (c) For Fiscal Year 2028 and each fiscal year thereafter,

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1 municipalities shall transmit the report required pursuant to
2 this Section to the State Comptroller annually in a manner and
3 format prescribed by the State Comptroller. The State
4 Comptroller must post on the State Comptroller's official
5 website the information submitted by a municipality pursuant
6 to this Section. The information must be posted no later than
7 45 days after the State Comptroller receives the information
8 from the municipality. The State Comptroller must also post a
9 list of the municipalities not in compliance with the
10 reporting requirements of this Section.

ARTICLE 810

11

12 Section 810-5. The Illinois Housing Development Act is
13 amended by changing Section 7.28 as follows:

14 (20 ILCS 3805/7.28)

15 Sec. 7.28. Tax credit for donation to sponsors. The
16 Authority may administer and adopt rules for an affordable
17 housing tax donation credit program to provide tax credits for
18 donations as set forth in this Section.

19 (a) In this Section:

20 "Administrative housing agency" means either the Authority
21 or an agency of the City of Chicago.
22 "Affordable housing project" means either:
23 (1) a rental project in which at least 25% of the units

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1 have rents (including tenant-paid heat) that do not
2 exceed, on a monthly basis, maximum gross rent figures, as
3 published by the Authority, that are:
4 (i) based on data published annually by the U.S.
5 Department of Housing and Urban Development;
6 (ii) based on the annual income of households
7 earning 60% of the area median income;
8 (iii) computed using a 30% of gross monthly income
9 standard; and
10 (iv) adjusted for unit size and at least 25% of the
11 units are occupied by persons and families whose
12 incomes do not exceed 60% of the median family income
13 for the geographic area in which the residential unit
14 is located; or
15 (2) a unit for sale to homebuyers whose gross
16 household income is at or below (A) 60% of the area median
17 income (for taxable years beginning prior to January 1,
18 2022) or (B) 120% of the area median income (for taxable
19 years beginning on or after January 1, 2022) and who pay no
20 more than 30% of their gross household income for mortgage
21 principal, interest, property taxes, and property
22 insurance (PITI).
23 "Donation" means money, securities, or real or personal
24 property that is donated to a not-for-profit sponsor that is
25 used solely for costs associated with either (i) purchasing,
26 constructing, or rehabilitating an affordable housing project

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1 in this State, (ii) an employer-assisted housing project in
2 this State, (iii) general operating support, or (iv) technical

3 assistance as defined by this Section.

4 "Employer-assisted housing project" means either
5 down-payment assistance, reduced-interest mortgages, mortgage
6 guarantee programs, rental subsidies, or individual
7 development account savings plans that are provided by
8 employers to employees to assist in securing affordable
9 housing near the workplace, that are restricted to housing
10 near the workplace, and that are restricted to employees whose
11 gross household income is at or below 120% of the area median
12 income.

13 "General operating support" means any cost incurred by a
14 sponsor that is a part of its general program costs and is not
15 limited to costs directly incurred by the affordable housing
16 project.

17 "Geographical area" means the metropolitan area or county
18 designated as an area by the federal Department of Housing and
19 Urban Development under Section 8 of the United States Housing
20 Act of 1937, as amended, for purposes of determining fair
21 market rental rates.

22 "Median income" means the incomes that are determined by
23 the federal Department of Housing and Urban Development
24 guidelines and adjusted for family size.

25 "Project" means an affordable housing project, an
26 employer-assisted housing project, general operating support,

1 or technical assistance.

2 "Sponsor" means a not-for-profit organization that (i) is
3 organized as a not-for-profit organization under the laws of
4 this State or another state and (1) for an affordable housing
5 project, has as one of its purposes the development of
6 affordable housing; (2) for an employer-assisted housing
7 project, has as one of its purposes home ownership education;
8 and (3) for a technical assistance project, has as one of its
9 purposes either the development of affordable housing or home
10 ownership education; (ii) is organized for the purpose of
11 constructing or rehabilitating affordable housing units and
12 has been issued a ruling from the Internal Revenue Service of
13 the United States Department of the Treasury that the
14 organization is exempt from income taxation under provisions

15 of the Internal Revenue Code; or (iii) is an organization
16 designated as a community development corporation by the
17 United States government under Title VII of the Economic
18 Opportunity Act of 1964.

19 "Tax credit" means a tax credit allowed under Section 214
20 of the Illinois Income Tax Act.

21 "Technical assistance" means any cost incurred by a
22 sponsor for project planning, assistance with applying for
23 financing, or counseling services provided to prospective
24 homebuyers.

25 (b) A sponsor must apply to an administrative housing
26 agency for approval of the project. The administrative housing

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1 agency must reserve a specific amount of tax credits for each
2 approved project. Tax credits for general operating support
3 can only be reserved as part of a reservation of tax credits
4 for an affordable housing project, an employer-assisted
5 housing project, or technical assistance. No tax credits shall
6 be allowed for a project without a reservation of such tax
7 credits by an administrative housing agency for that project.

8 (c) The Authority must adopt rules establishing criteria
9 for eligible costs and donations, issuing and verifying tax
10 credits, and selecting projects that are eligible for a tax
11 credit.

12 (d) Tax credits for employer-assisted housing projects are
13 limited to that pool of tax credits that have been set aside
14 for employer-assisted housing. Tax credits for general
15 operating support are limited to 10% of the total tax credit
16 reservation for the related project (other than general
17 operating support) and are also limited to that pool of tax
18 credits that have been set aside for general operating
19 support. Tax credits for technical assistance are limited to
20 that pool of tax credits that have been set aside for technical
21 assistance.

22 (e) The amount of tax credits reserved by the
23 administrative housing agency for an approved project is
24 limited to \$32,850,352 in State fiscal years 2022 and 2023 and
25 shall increase by 5% each fiscal year thereafter through
26 fiscal year 2026. Beginning in State fiscal year 2027, the

1 amount of tax credits reserved by the administrative housing
2 agency for an approved project is limited to \$41,831,227 in
3 State fiscal year 2027 and shall increase by 10% each fiscal
4 year thereafter. The City of Chicago shall receive 24.5% of
5 total tax credits authorized for each fiscal year. The
6 Authority shall receive the balance of the tax credits
7 authorized for each fiscal year. The tax credits may be used
8 anywhere in this State. The tax credits have the following
9 set-asides:

10 (1) for employer-assisted housing projects, \$2
11 million; and

12 (2) for general operating support and technical
13 assistance, \$1 million.

14 The balance of the funds must be used for affordable
15 housing projects. During the first 9 months of a fiscal year,
16 if an administrative housing agency is unable to reserve the
17 tax credits set aside for the purposes described in subsection
18 (e), the administrative housing agency may reserve the tax
19 credits for any approved projects.

20 (f) The administrative housing agency that reserves tax
21 credits for an affordable housing project must record against
22 the land upon which the affordable housing project is located
23 an instrument to assure that the property maintains its
24 affordable housing compliance for a minimum of 10 years. The
25 Authority has flexibility to assure that the instrument does
26 not cause undue hardship on homeowners.

1 (Source: P.A. 102-175, eff. 7-29-21.)

2 Section 810-10. The Illinois Income Tax Act is amended by
3 changing Section 214 as follows:

4 (35 ILCS 5/214)

5 Sec. 214. Tax credit for affordable housing donations.

6 (a) Beginning with taxable years ending on or after
7 December 31, 2001 and until the taxable year ending on
8 ~~December 31, 2036, December 31, 2026,~~ a taxpayer who makes a
9 donation under Section 7.28 of the Illinois Housing
10 Development Act is entitled to a credit against the tax
11 imposed by subsections (a) and (b) of Section 201 in an amount
12 equal to 50% of the value of the donation. For taxable years
13 ending before December 31, 2023, partners, shareholders of
14 subchapter S corporations, and owners of limited liability
15 companies (if the limited liability company is treated as a
16 partnership for purposes of federal and State income taxation)
17 are entitled to a credit under this Section to be determined in
18 accordance with the determination of income and distributive
19 share of income under Sections 702 and 703 and subchapter S of
20 the Internal Revenue Code. For taxable years ending on or
21 after December 31, 2023, partners and shareholders of
22 subchapter S corporations are entitled to a credit under this
23 Section as provided in Section 251. Persons or entities not
24 subject to the tax imposed by subsections (a) and (b) of

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1 Section 201 and who make a donation under Section 7.28 of the
2 Illinois Housing Development Act are entitled to a credit as
3 described in this subsection and may transfer that credit as
4 described in subsection (c).

5 (b) If the amount of the credit exceeds the tax liability
6 for the year, the excess may be carried forward and applied to
7 the tax liability of the 5 taxable years following the excess
8 credit year. The tax credit shall be applied to the earliest
9 year for which there is a tax liability. If there are credits
10 for more than one year that are available to offset a
11 liability, the earlier credit shall be applied first.

12 (c) The transfer of the tax credit allowed under this
13 Section may be made (i) to the purchaser of land that has been
14 designated solely for affordable housing projects in
15 accordance with the Illinois Housing Development Act or (ii)
16 to another donor who has also made a donation in accordance
17 with Section 7.28 of the Illinois Housing Development Act.

18 (d) A taxpayer claiming the credit provided by this

19 Section must maintain and record any information that the
20 Department may require by regulation regarding the project for
21 which the credit is claimed. When claiming the credit provided
22 by this Section, the taxpayer must provide information
23 regarding the taxpayer's donation to the project under the
24 Illinois Housing Development Act.
25 (Source: P.A. 102-16, eff. 6-17-21; 102-175, eff. 7-29-21;
26 103-396, eff. 1-1-24.)

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ARTICLE 815

1

2 Section 815-5. The Illinois Income Tax Act is amended by
3 changing Section 222 as follows:

4 (35 ILCS 5/222)

5 Sec. 222. Live theater production credit.

6 (a) For tax years beginning on or after January 1, 2012 and
7 beginning prior to January 1, 2039, ~~January 1, 2027~~, a
8 taxpayer who has received a tax credit award under the Live
9 Theater Production Tax Credit Act for a long-run production, a
10 pre-Broadway production, or a commercial Broadway touring show
11 is entitled to a credit against the taxes imposed under
12 subsections (a) and (b) of Section 201 of this Act in an amount
13 determined under that Act by the Department of Commerce and
14 Economic Opportunity.

15 (b) For taxable years ending before December 31, 2023, if
16 the taxpayer is a partnership, limited liability partnership,
17 limited liability company, or Subchapter S corporation, the
18 tax credit award is allowed to the partners, unit holders, or
19 shareholders in accordance with the determination of income
20 and distributive share of income under Sections 702 and 704
21 and Subchapter S of the Internal Revenue Code. For taxable
22 years ending on or after December 31, 2023, if the taxpayer is
23 a partnership or Subchapter S corporation, then the provisions

1 of Section 251 apply.

2 (c) A sale, assignment, or transfer of the tax credit
3 award may be made by the taxpayer earning the credit within one
4 year after the credit is awarded in accordance with rules
5 adopted by the Department of Commerce and Economic
6 Opportunity.

7 (d) The Department of Revenue, in cooperation with the
8 Department of Commerce and Economic Opportunity, shall adopt
9 rules to enforce and administer the provisions of this
10 Section.

11 (e) The tax credit award may not be carried back. If the
12 amount of the credit exceeds the tax liability for the year,
13 the excess may be carried forward and applied to the tax
14 liability of the 5 tax years following the excess credit year.
15 The tax credit award shall be applied to the earliest year for
16 which there is a tax liability. If there are credits from more
17 than one tax year that are available to offset liability, the
18 earlier credit shall be applied first. In no event may a credit
19 under this Section reduce the taxpayer's liability to less
20 than zero.

21 (Source: P.A. 102-16, eff. 6-17-21; 103-396, eff. 1-1-24;
22 103-592, eff. 6-7-24.)

23 Section 815-10. The Live Theater Production Tax Credit Act
24 is amended by changing Sections 10-10 and 10-20 as follows:

1 (35 ILCS 17/10-20)

2 Sec. 10-20. Tax credit award. Subject to the conditions
3 set forth in this Act, an applicant is entitled to a tax credit
4 award as approved by the Department for qualifying Illinois
5 labor expenditures and Illinois production spending for each
6 tax year in which the applicant is awarded an accredited
7 theater production certificate issued by the Department. The
8 amount of tax credits awarded pursuant to this Act shall not
9 exceed \$2,000,000 in any State fiscal year ending on or before
10 June 30, 2022. The amount of tax credits awarded pursuant to

11 this Act for the State fiscal year ending on June 30, 2023 or
12 the State fiscal year ending on June 30, 2024 shall not exceed
13 \$4,000,000. For the State fiscal year ending on June 30, 2023
14 and the State fiscal year ending on June 30, 2024, no more than
15 \$2,000,000 in credits may be awarded in either of those fiscal
16 years to accredited theater productions that are not
17 commercial Broadway touring shows, and no more than \$2,000,000
18 in credits may be awarded in either of those fiscal years to
19 commercial Broadway touring shows. For State fiscal years
20 ending on or after June 30, 2025, the amount of tax credits
21 awarded under this Act shall not exceed \$6,000,000, with no
22 more than \$2,000,000 in credits awarded for long-run
23 productions and pre-Broadway productions, no more than
24 \$2,000,000 in credits awarded for commercial Broadway touring
25 shows, and no more than \$2,000,000 in credits awarded for
26 non-profit theater productions. If, in any State fiscal year,

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1 less than \$2,000,000 in credits under this Act are awarded for
2 long-run productions and pre-Broadway productions, then the
3 difference between \$2,000,000 and the amount of credits
4 awarded for long-run productions and pre-Broadway productions
5 in that fiscal year may be added to the \$2,000,000 in credits
6 allowed to be awarded for commercial Broadway touring shows in
7 that State fiscal year.

8 The \$2,000,000 in credits that may be awarded for
9 non-profit theater productions under this Act in a State
10 fiscal year shall be allocated as follows:

11 (1) no credits may be awarded for non-profit theater
12 productions that have an annual operating budget of less
13 than \$25,000;

14 (2) no more than \$225,000 in credits may be awarded,
15 in the aggregate, for non-profit theater productions that
16 have an annual operating budget of \$25,000 or more but
17 less than \$250,000;

18 (3) no more than \$225,000 in credits may be awarded,
19 in the aggregate, for non-profit theater productions that
20 have an annual operating budget of \$250,000 or more but
21 less than \$1,000,000;

22 (4) no more than \$250,000 in credits may be awarded,

23 in the aggregate, for non-profit theater productions that
24 have an annual operating budget of \$1,000,000 or more but
25 less than \$2,500,000;
26 (5) no more than \$300,000 in credits may be awarded,

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1 in the aggregate, for non-profit theater productions that
2 have an annual operating budget of \$2,500,000 or more but
3 less than \$5,000,000;
4 (6) no more than \$300,000 in credits may be awarded,
5 in the aggregate, for non-profit theater productions that
6 have an annual operating budget of \$5,000,000 or more but
7 less than \$10,000,000; and
8 (7) no more than \$700,000 in credits may be awarded,
9 in the aggregate, for non-profit theater productions that
10 have an annual operating budget of \$10,000,000 or more.
11 Credits shall be awarded on a first-come, first-served
12 basis. Notwithstanding the foregoing, if the amount of credits
13 applied for in any fiscal year exceeds the amount authorized
14 to be awarded under this Section, the excess credit amount
15 shall be awarded in the next fiscal year in which credits
16 remain available for award and shall be treated as having been
17 applied for on the first day of that fiscal year.
18 (Source: P.A. 102-700, eff. 4-19-22; 102-1112, eff. 12-21-22;
19 103-592, eff. 6-7-24; 103-1055, eff. 12-20-24.)

ARTICLE 820

20

21 Section 820-5. The Property Tax Code is amended by
22 changing Sections 10-115, 10-125, 10-135, 10-145, 10-150, and
23 10-152 as follows:

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1 (35 ILCS 200/10-115)

2 Sec. 10-115. Department guidelines and valuations for
3 farmland. The Department shall issue guidelines and
4 recommendations for the valuation of farmland to achieve
5 equitable assessment within and between counties.

6 The Director of Revenue shall appoint a five-person
7 Farmland Assessment Technical Advisory Board, consisting of
8 technical experts from the colleges or schools of agriculture
9 of the State universities and State and federal agricultural
10 agencies, to advise in and provide data and technical
11 information needed for implementation of this Section.

12 By May 1 of each year, the Department shall certify to each
13 chief county assessment officer the following, calculated from
14 data provided by the Farmland Assessment Technical Advisory
15 Board, on a per acre basis by soil productivity index for
16 harvested cropland, using moving averages based upon ~~for~~ the
17 most recent 5-year period for which data are available:

18 (a) gross income, estimated ~~by~~ using annual yields per
19 acre, as assigned to soil productivity indices for the
20 major crops grown in this State, the crop mix for each soil
21 productivity index as determined by a Farmland Assessment
22 Technical Advisory Board representative from the
23 Department of Agricultural and Consumer Economics in the
24 College of Agricultural, Consumer, and Environmental
25 Sciences at the College of Agriculture of the University
26 of Illinois, and annual average prices received by farmers

1 for principal crops from associated publicly reported data
2 ~~as published by the Illinois Crop Reporting Service;~~

3 (b) non-land production costs for each soil
4 productivity index as calculated by the Department of
5 Agricultural and Consumer Economics in , other than land
6 ~~costs, provided by the College of Agricultural, Consumer,~~
7 and Environmental Sciences at Agriculture of the
8 University of Illinois;

9 (c) net return to land, for each soil productivity
10 index, which is calculated by subtracting non-land
11 production costs from estimated gross income; , which
12 ~~shall be the difference between (a) and (b) above;~~

13 (d) ~~a proposed~~ agricultural economic value (AEV)

determined by dividing the net return to land by a
farmland income capitalization rate, which shall be
determined based on the calculation year rate under
Section 2032A of the Internal Revenue Code, or its analog
in cases when the rate is not published by the Farm Credit
Bank district that contains Illinois, plus 3%; except
that, in cases when that calculated rate exceeds 10%, the
income capitalization rate will be 10%; and, in cases when
that calculated rate falls below 8%, the income
capitalization rate will equal 8% the moving average of
the Federal Land Bank farmland mortgage interest rate as
calculated by the Department;

(e) ~~the~~ equalized assessed value per acre of farmland

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for each soil productivity index, which shall be 33-1/3%
of the agricultural economic value, or the percentage as
provided under Section 17-5; but any increase or decrease
in the equalized assessed value per acre by soil
productivity index shall not exceed 10% from the immediate
preceding year's soil productivity index certified
assessed value of the median cropped soil; ~~in tax year~~
~~2015 only, that 10% limitation shall be reduced by \$5 per~~
~~acre;~~

(f) a proposed average equalized assessed value per
acre of cropland for each individual county, weighted by
the distribution of soils by productivity index in the
county; and

(g) a proposed average equalized assessed value per
acre for all farmland in each county, weighted (i) to
consider the proportions of all farmland acres in the
county which are cropland, permanent pasture, and other
farmland, and (ii) to reflect the valuations for those
types of land and debasements for slope and erosion as
required by Section 10-125.

(Source: P.A. 98-109, eff. 7-25-13.)

(35 ILCS 200/10-125)

Sec. 10-125. Assessment level by type of farmland.

Cropland, permanent pasture, and other farmland shall be

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1 ~~Revenue U.S. Census Bureau definitions~~ in use during that
2 assessment year and assessed in the following way:

3 (a) Cropland shall be assessed in accordance with the
4 equalized assessed value of its soil productivity index as
5 certified by the Department and shall be debased to take
6 into account factors including, but not limited to, slope,
7 drainage, ponding, flooding, and field size and shape.

8 (b) Permanent pasture shall be assessed at 1/3 of its
9 debased productivity index equalized assessed value as
10 cropland.

11 (c) Other farmland shall be assessed at 1/6 of its
12 debased productivity index equalized assessed value as
13 cropland.

14 (d) Wasteland shall be assessed on its contributory
15 value to the farmland parcel.

16 In no case shall the equalized assessed value of permanent
17 pasture be below 1/3, nor the equalized assessed value of
18 other farmland, except wasteland, be below 1/6, of the
19 equalized assessed value per acre of cropland of the lowest
20 productivity index certified under Section 10-115.

21 (Source: P.A. 86-954; 88-455.)

22 (35 ILCS 200/10-135)

23 Sec. 10-135. Farmland not subject to equalization. The
24 assessed valuation of farmland assessed under Sections 10-110
25 through 10-130 shall not be subject to equalization by means

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1 of State equalization factors. ~~Equalization factors applied by~~
2 ~~a chief county assessment officer or a Board of Review under~~
3 ~~Sections 9-205 and 16-60 shall be applied to assessments of~~
4 ~~farmland only to achieve assessments as required by Sections~~
5 ~~10-110 through 10-130.~~

6 (Source: P.A. 92-301, eff. 1-1-02.)

7 (35 ILCS 200/10-145)

8 Sec. 10-145. Farm dwellings. Each farm dwelling and
9 appurtenant structures and the tract upon which they are
10 immediately situated shall be assessed by the local assessing
11 officials at 33 1/3% of fair cash value except that in counties
12 that classify property for purposes of taxation in accordance
13 with Section 4 of Article IX of the Constitution they shall be
14 assessed at the percentage of fair cash value as required by
15 county ordinance. That assessment shall be subject to
16 equalization by the Department under Sections 17-5 through
17 17-30 and local equalization as otherwise provided in this
18 Code.

19 (Source: P.A. 82-554; 88-455.)

20 (35 ILCS 200/10-150)

21 Sec. 10-150. Property under forestry management plan. In
22 counties with less than 3,000,000 inhabitants, any land being
23 managed under a forestry management plan accepted by the
24 Department of Natural Resources under the Illinois Forestry

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1 Development Act shall be considered as "other farmland" and
2 shall be valued at 1/6 of its productivity index equalized
3 assessed value as cropland. In counties with more than
4 3,000,000 inhabitants, any land totaling totalling 15 acres or
5 less for which an approved forestry management plan was in
6 effect on or before December 31, 1985, shall be considered
7 "other farmland". The Department of Natural Resources shall
8 inform the Department ~~and each chief county assessment officer~~
9 of each parcel of land covered by an approved forestry
10 management plan, and the Department shall notify each chief
11 county assessment officer of each parcel of land covered by an
12 approved forestry management plan.

13 (Source: P.A. 88-455; 89-445, eff. 2-7-96.)

14 (35 ILCS 200/10-152)

15 (Section scheduled to be repealed on December 31, 2026)

16 Sec. 10-152. Vegetative filter strip assessment.

17 (a) In counties with less than 3,000,000 inhabitants, any
18 land (i) that is located between a farm field and an area to be
19 protected, including but not limited to surface water, a
20 stream, a river, or a sinkhole and (ii) that meets the
21 requirements of subsection (b) of this Section shall be
22 considered a "vegetative filter strip" and valued at 1/6th of
23 its productivity index equalized assessed value as cropland.
24 In counties with 3,000,000 or more inhabitants, the land shall
25 be valued at the lesser of either (i) 16% of the fair cash

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1 value of the farmland estimated at the price it would bring at
2 a fair, voluntary sale for use by the buyer as a farm as
3 defined in Section 1-60 or (ii) 90% of the 1983 average
4 equalized assessed value per acre certified by the Department
5 of Revenue.

6 (b) Vegetative filter strips shall meet the standards and
7 specifications set forth in the Natural Resources Conservation
8 Service Technical Guide and shall contain vegetation that (i)
9 has a dense top growth; (ii) forms a uniform ground cover;
10 (iii) has a heavy fibrous root system; and (iv) tolerates
11 pesticides used in the farm field.

12 (c) The county's soil and water conservation district
13 shall assist the taxpayer in completing a uniform certified
14 document ~~as prescribed by the Department of Revenue in~~
15 cooperation with the Association of Illinois Soil and Water
16 Conservation Districts that certifies (i) that the property
17 meets the requirements established under this Section for
18 vegetative filter strips and (ii) the acreage or square
19 footage of property that qualifies for assessment as a
20 vegetative filter strip. The document shall be filed by the
21 applicant with the Chief County Assessment Officer. The Chief
22 County Assessment Officer shall promulgate rules concerning
23 the filing of the document. The soil and water conservation
24 district shall create a conservation plan for the creation of
25 the filter strip. The plan shall be kept on file in the soil
26 and water conservation district office. Nothing in this

1 Section shall be construed to require any taxpayer to have
2 vegetative filter strips.

3 (d) A joint report by the Department of Agriculture and
4 the Department of Natural Resources concerning the effect and
5 impact of vegetative filter strip assessment shall be
6 submitted to the General Assembly by March 1, 2006.

7 (e) This Section is repealed on December 31, 2031 ~~December~~
8 ~~31, 2026~~.

9 (Source: P.A. 99-560, eff. 1-1-17; 99-916, eff. 12-30-16.)

10 ARTICLE 825

11 Section 825-5. The Illinois Income Tax Act is amended by
12 changing Sections 201, 220, 221, 231, and 242 as follows:

13 (35 ILCS 5/201)

14 Sec. 201. Tax imposed.

15 (a) In general. A tax measured by net income is hereby
16 imposed on every individual, corporation, trust and estate for
17 each taxable year ending after July 31, 1969 on the privilege
18 of earning or receiving income in or as a resident of this
19 State. Such tax shall be in addition to all other occupation or
20 privilege taxes imposed by this State or by any municipal
21 corporation or political subdivision thereof.

22 (b) Rates. The tax imposed by subsection (a) of this
23 Section shall be determined as follows, except as adjusted by

1 subsection (d-1):

2 (1) In the case of an individual, trust or estate, for
3 taxable years ending prior to July 1, 1989, an amount
4 equal to 2 1/2% of the taxpayer's net income for the
5 taxable year.

6 (2) In the case of an individual, trust or estate, for
7 taxable years beginning prior to July 1, 1989 and ending
8 after June 30, 1989, an amount equal to the sum of (i) 2
9 1/2% of the taxpayer's net income for the period prior to
10 July 1, 1989, as calculated under Section 202.3, and (ii)
11 3% of the taxpayer's net income for the period after June
12 30, 1989, as calculated under Section 202.3.

13 (3) In the case of an individual, trust or estate, for
14 taxable years beginning after June 30, 1989, and ending
15 prior to January 1, 2011, an amount equal to 3% of the
16 taxpayer's net income for the taxable year.

17 (4) In the case of an individual, trust, or estate,
18 for taxable years beginning prior to January 1, 2011, and
19 ending after December 31, 2010, an amount equal to the sum
20 of (i) 3% of the taxpayer's net income for the period prior
21 to January 1, 2011, as calculated under Section 202.5, and
22 (ii) 5% of the taxpayer's net income for the period after
23 December 31, 2010, as calculated under Section 202.5.

24 (5) In the case of an individual, trust, or estate,
25 for taxable years beginning on or after January 1, 2011,
26 and ending prior to January 1, 2015, an amount equal to 5%

1 of the taxpayer's net income for the taxable year.

2 (5.1) In the case of an individual, trust, or estate,
3 for taxable years beginning prior to January 1, 2015, and
4 ending after December 31, 2014, an amount equal to the sum
5 of (i) 5% of the taxpayer's net income for the period prior
6 to January 1, 2015, as calculated under Section 202.5, and
7 (ii) 3.75% of the taxpayer's net income for the period
8 after December 31, 2014, as calculated under Section
9 202.5.

10 (5.2) In the case of an individual, trust, or estate,
11 for taxable years beginning on or after January 1, 2015,
12 and ending prior to July 1, 2017, an amount equal to 3.75%
13 of the taxpayer's net income for the taxable year.

14 (5.3) In the case of an individual, trust, or estate,
15 for taxable years beginning prior to July 1, 2017, and
16 ending after June 30, 2017, an amount equal to the sum of
17 (i) 3.75% of the taxpayer's net income for the period

18 prior to July 1, 2017, as calculated under Section 202.5,
19 and (ii) 4.95% of the taxpayer's net income for the period
20 after June 30, 2017, as calculated under Section 202.5.

21 (5.4) In the case of an individual, trust, or estate,
22 for taxable years beginning on or after July 1, 2017, an
23 amount equal to 4.95% of the taxpayer's net income for the
24 taxable year.

25 (6) In the case of a corporation, for taxable years
26 ending prior to July 1, 1989, an amount equal to 4% of the

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1 taxpayer's net income for the taxable year.

2 (7) In the case of a corporation, for taxable years
3 beginning prior to July 1, 1989 and ending after June 30,
4 1989, an amount equal to the sum of (i) 4% of the
5 taxpayer's net income for the period prior to July 1,
6 1989, as calculated under Section 202.3, and (ii) 4.8% of
7 the taxpayer's net income for the period after June 30,
8 1989, as calculated under Section 202.3.

9 (8) In the case of a corporation, for taxable years
10 beginning after June 30, 1989, and ending prior to January
11 1, 2011, an amount equal to 4.8% of the taxpayer's net
12 income for the taxable year.

13 (9) In the case of a corporation, for taxable years
14 beginning prior to January 1, 2011, and ending after
15 December 31, 2010, an amount equal to the sum of (i) 4.8%
16 of the taxpayer's net income for the period prior to
17 January 1, 2011, as calculated under Section 202.5, and
18 (ii) 7% of the taxpayer's net income for the period after
19 December 31, 2010, as calculated under Section 202.5.

20 (10) In the case of a corporation, for taxable years
21 beginning on or after January 1, 2011, and ending prior to
22 January 1, 2015, an amount equal to 7% of the taxpayer's
23 net income for the taxable year.

24 (11) In the case of a corporation, for taxable years
25 beginning prior to January 1, 2015, and ending after
26 December 31, 2014, an amount equal to the sum of (i) 7% of

1 the taxpayer's net income for the period prior to January
2 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
3 of the taxpayer's net income for the period after December
4 31, 2014, as calculated under Section 202.5.

5 (12) In the case of a corporation, for taxable years
6 beginning on or after January 1, 2015, and ending prior to
7 July 1, 2017, an amount equal to 5.25% of the taxpayer's
8 net income for the taxable year.

9 (13) In the case of a corporation, for taxable years
10 beginning prior to July 1, 2017, and ending after June 30,
11 2017, an amount equal to the sum of (i) 5.25% of the
12 taxpayer's net income for the period prior to July 1,
13 2017, as calculated under Section 202.5, and (ii) 7% of
14 the taxpayer's net income for the period after June 30,
15 2017, as calculated under Section 202.5.

16 (14) In the case of a corporation, for taxable years
17 beginning on or after July 1, 2017, an amount equal to 7%
18 of the taxpayer's net income for the taxable year.

19 The rates under this subsection (b) are subject to the
20 provisions of Section 201.5.

21 (b-5) Surcharge; sale or exchange of assets, properties,
22 and intangibles of organization gaming licensees. For each of
23 taxable years 2019 through 2027, a surcharge is imposed on all
24 taxpayers on income arising from the sale or exchange of
25 capital assets, depreciable business property, real property
26 used in the trade or business, and Section 197 intangibles (i)

1 of an organization licensee under the Illinois Horse Racing
2 Act of 1975 and (ii) of an organization gaming licensee under
3 the Illinois Gambling Act. The amount of the surcharge is
4 equal to the amount of federal income tax liability for the
5 taxable year attributable to those sales and exchanges. The
6 surcharge imposed shall not apply if:

7 (1) the organization gaming license, organization
8 license, or racetrack property is transferred as a result
9 of any of the following:

10 (A) bankruptcy, a receivership, or a debt
11 adjustment initiated by or against the initial
12 licensee or the substantial owners of the initial
13 licensee;

14 (B) cancellation, revocation, or termination of
15 any such license by the Illinois Gaming Board or the
16 Illinois Racing Board;

17 (C) a determination by the Illinois Gaming Board
18 that transfer of the license is in the best interests
19 of Illinois gaming;

20 (D) the death of an owner of the equity interest in
21 a licensee;

22 (E) the acquisition of a controlling interest in
23 the stock or substantially all of the assets of a
24 publicly traded company;

25 (F) a transfer by a parent company to a wholly
26 owned subsidiary; or

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1 (G) the transfer or sale to or by one person to
2 another person where both persons were initial owners
3 of the license when the license was issued; or

4 (2) the controlling interest in the organization
5 gaming license, organization license, or racetrack
6 property is transferred in a transaction to lineal
7 descendants in which no gain or loss is recognized or as a
8 result of a transaction in accordance with Section 351 of
9 the Internal Revenue Code in which no gain or loss is
10 recognized; or

11 (3) live horse racing was not conducted in 2010 at a
12 racetrack located within 3 miles of the Mississippi River
13 under a license issued pursuant to the Illinois Horse
14 Racing Act of 1975.

15 The transfer of an organization gaming license,
16 organization license, or racetrack property by a person other
17 than the initial licensee to receive the organization gaming
18 license is not subject to a surcharge. The Department shall

19 adopt rules necessary to implement and administer this
20 subsection.

21 (c) Personal Property Tax Replacement Income Tax.
22 Beginning on July 1, 1979 and thereafter, in addition to such
23 income tax, there is also hereby imposed the Personal Property
24 Tax Replacement Income Tax measured by net income on every
25 corporation (including Subchapter S corporations), partnership
26 and trust, for each taxable year ending after June 30, 1979.

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1 Such taxes are imposed on the privilege of earning or
2 receiving income in or as a resident of this State. The
3 Personal Property Tax Replacement Income Tax shall be in
4 addition to the income tax imposed by subsections (a) and (b)
5 of this Section and in addition to all other occupation or
6 privilege taxes imposed by this State or by any municipal
7 corporation or political subdivision thereof.

8 (d) Additional Personal Property Tax Replacement Income
9 Tax Rates. The personal property tax replacement income tax
10 imposed by this subsection and subsection (c) of this Section
11 in the case of a corporation, other than a Subchapter S
12 corporation and except as adjusted by subsection (d-1), shall
13 be an additional amount equal to 2.85% of such taxpayer's net
14 income for the taxable year, except that beginning on January
15 1, 1981, and thereafter, the rate of 2.85% specified in this
16 subsection shall be reduced to 2.5%, and in the case of a
17 partnership, trust or a Subchapter S corporation shall be an
18 additional amount equal to 1.5% of such taxpayer's net income
19 for the taxable year.

20 (d-1) Rate reduction for certain foreign insurers. In the
21 case of a foreign insurer, as defined by Section 35A-5 of the
22 Illinois Insurance Code, whose state or country of domicile
23 imposes on insurers domiciled in Illinois a retaliatory tax
24 (excluding any insurer whose premiums from reinsurance assumed
25 are 50% or more of its total insurance premiums as determined
26 under paragraph (2) of subsection (b) of Section 304, except

1 that for purposes of this determination premiums from
2 reinsurance do not include premiums from inter-affiliate
3 reinsurance arrangements), beginning with taxable years ending
4 on or after December 31, 1999, the sum of the rates of tax
5 imposed by subsections (b) and (d) shall be reduced (but not
6 increased) to the rate at which the total amount of tax imposed
7 under this Act, net of all credits allowed under this Act,
8 shall equal (i) the total amount of tax that would be imposed
9 on the foreign insurer's net income allocable to Illinois for
10 the taxable year by such foreign insurer's state or country of
11 domicile if that net income were subject to all income taxes
12 and taxes measured by net income imposed by such foreign
13 insurer's state or country of domicile, net of all credits
14 allowed or (ii) a rate of zero if no such tax is imposed on
15 such income by the foreign insurer's state of domicile. For
16 the purposes of this subsection (d-1), an inter-affiliate
17 includes a mutual insurer under common management.

18 (1) For the purposes of subsection (d-1), in no event
19 shall the sum of the rates of tax imposed by subsections
20 (b) and (d) be reduced below the rate at which the sum of:

21 (A) the total amount of tax imposed on such
22 foreign insurer under this Act for a taxable year, net
23 of all credits allowed under this Act, plus

24 (B) the privilege tax imposed by Section 409 of
25 the Illinois Insurance Code, the fire insurance
26 company tax imposed by Section 12 of the Fire

1 Investigation Act, and the fire department taxes
2 imposed under Section 11-10-1 of the Illinois
3 Municipal Code,
4 equals 1.25% for taxable years ending prior to December
5 31, 2003, or 1.75% for taxable years ending on or after
6 December 31, 2003, of the net taxable premiums written for
7 the taxable year, as described by subsection (1) of
8 Section 409 of the Illinois Insurance Code. This paragraph
9 will in no event increase the rates imposed under
10 subsections (b) and (d).

11 (2) Any reduction in the rates of tax imposed by this
12 subsection shall be applied first against the rates
13 imposed by subsection (b) and only after the tax imposed
14 by subsection (a) net of all credits allowed under this
15 Section other than the credit allowed under subsection (i)
16 has been reduced to zero, against the rates imposed by
17 subsection (d).

18 This subsection (d-1) is exempt from the provisions of
19 Section 250.

20 (e) Investment credit. A taxpayer shall be allowed a
21 credit against the Personal Property Tax Replacement Income
22 Tax for investment in qualified property.

23 (1) A taxpayer shall be allowed a credit equal to .5%
24 of the basis of qualified property placed in service
25 during the taxable year, provided such property is placed
26 in service on or after July 1, 1984. There shall be allowed

1 an additional credit equal to .5% of the basis of
2 qualified property placed in service during the taxable
3 year, provided such property is placed in service on or
4 after July 1, 1986, and the taxpayer's base employment
5 within Illinois has increased by 1% or more over the
6 preceding year as determined by the taxpayer's employment
7 records filed with the Illinois Department of Employment
8 Security. Taxpayers who are new to Illinois shall be
9 deemed to have met the 1% growth in base employment for the
10 first year in which they file employment records with the
11 Illinois Department of Employment Security. The provisions
12 added to this Section by Public Act 85-1200 (and restored
13 by Public Act 87-895) shall be construed as declaratory of
14 existing law and not as a new enactment. If, in any year,
15 the increase in base employment within Illinois over the
16 preceding year is less than 1%, the additional credit
17 shall be limited to that percentage times a fraction, the
18 numerator of which is .5% and the denominator of which is
19 1%, but shall not exceed .5%. The investment credit shall
20 not be allowed to the extent that it would reduce a
21 taxpayer's liability in any tax year below zero, nor may
22 any credit for qualified property be allowed for any year

23 other than the year in which the property was placed in
24 service in Illinois. For tax years ending on or after
25 December 31, 1987, and on or before December 31, 1988, the
26 credit shall be allowed for the tax year in which the

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1 property is placed in service, or, if the amount of the
2 credit exceeds the tax liability for that year, whether it
3 exceeds the original liability or the liability as later
4 amended, such excess may be carried forward and applied to
5 the tax liability of the 5 taxable years following the
6 excess credit years if the taxpayer (i) makes investments
7 which cause the creation of a minimum of 2,000 full-time
8 equivalent jobs in Illinois, (ii) is located in an
9 enterprise zone established pursuant to the Illinois
10 Enterprise Zone Act and (iii) is certified by the
11 Department of Commerce and Community Affairs (now
12 Department of Commerce and Economic Opportunity) as
13 complying with the requirements specified in clause (i)
14 and (ii) by July 1, 1986. The Department of Commerce and
15 Community Affairs (now Department of Commerce and Economic
16 Opportunity) shall notify the Department of Revenue of all
17 such certifications immediately. For tax years ending
18 after December 31, 1988, the credit shall be allowed for
19 the tax year in which the property is placed in service,
20 or, if the amount of the credit exceeds the tax liability
21 for that year, whether it exceeds the original liability
22 or the liability as later amended, such excess may be
23 carried forward and applied to the tax liability of the 5
24 taxable years following the excess credit years. The
25 credit shall be applied to the earliest year for which
26 there is a liability. If there is credit from more than one

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1 tax year that is available to offset a liability, earlier
2 credit shall be applied first.

3 (2) The term "qualified property" means property
4 which:

5 (A) is tangible, whether new or used, including
6 buildings and structural components of buildings and
7 signs that are real property, but not including land
8 or improvements to real property that are not a
9 structural component of a building such as
10 landscaping, sewer lines, local access roads, fencing,
11 parking lots, and other appurtenances;

12 (B) is depreciable pursuant to Section 167 of the
13 Internal Revenue Code, except that "3-year property"
14 as defined in Section 168(c)(2)(A) of that Code is not
15 eligible for the credit provided by this subsection
16 (e);

17 (C) is acquired by purchase as defined in Section
18 179(d) of the Internal Revenue Code;

19 (D) is used in Illinois by a taxpayer who is
20 primarily engaged in manufacturing, or in mining coal
21 or fluorite, or in retailing, or was placed in service
22 on or after July 1, 2006 in a River Edge Redevelopment
23 Zone established pursuant to the River Edge
24 Redevelopment Zone Act; and

25 (E) has not previously been used in Illinois in
26 such a manner and by such a person as would qualify for

1 the credit provided by this subsection (e) or
2 subsection (f).

3 (3) For purposes of this subsection (e),
4 "manufacturing" means the material staging and production
5 of tangible personal property by procedures commonly
6 regarded as manufacturing, processing, fabrication, or
7 assembling which changes some existing material into new
8 shapes, new qualities, or new combinations. For purposes
9 of this subsection (e) the term "mining" shall have the
10 same meaning as the term "mining" in Section 613(c) of the
11 Internal Revenue Code. For purposes of this subsection
12 (e), the term "retailing" means the sale of tangible
13 personal property for use or consumption and not for
14 resale, or services rendered in conjunction with the sale

15 of tangible personal property for use or consumption and
16 not for resale. For purposes of this subsection (e),
17 "tangible personal property" has the same meaning as when
18 that term is used in the Retailers' Occupation Tax Act,
19 and, for taxable years ending after December 31, 2008,
20 does not include the generation, transmission, or
21 distribution of electricity.

22 (4) The basis of qualified property shall be the basis
23 used to compute the depreciation deduction for federal
24 income tax purposes.

25 (5) If the basis of the property for federal income
26 tax depreciation purposes is increased after it has been

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1 placed in service in Illinois by the taxpayer, the amount
2 of such increase shall be deemed property placed in
3 service on the date of such increase in basis.

4 (6) The term "placed in service" shall have the same
5 meaning as under Section 46 of the Internal Revenue Code.

6 (7) If during any taxable year, any property ceases to
7 be qualified property in the hands of the taxpayer within
8 48 months after being placed in service, or the situs of
9 any qualified property is moved outside Illinois within 48
10 months after being placed in service, the Personal
11 Property Tax Replacement Income Tax for such taxable year
12 shall be increased. Such increase shall be determined by
13 (i) recomputing the investment credit which would have
14 been allowed for the year in which credit for such
15 property was originally allowed by eliminating such
16 property from such computation and, (ii) subtracting such
17 recomputed credit from the amount of credit previously
18 allowed. For the purposes of this paragraph (7), a
19 reduction of the basis of qualified property resulting
20 from a redetermination of the purchase price shall be
21 deemed a disposition of qualified property to the extent
22 of such reduction.

23 (8) Unless the investment credit is extended by law,
24 the basis of qualified property shall not include costs
25 incurred after December 31, 2018, except for costs
26 incurred pursuant to a binding contract entered into on or

1 before December 31, 2018.

2 (9) Each taxable year ending before December 31, 2000,
3 a partnership may elect to pass through to its partners
4 the credits to which the partnership is entitled under
5 this subsection (e) for the taxable year. A partner may
6 use the credit allocated to him or her under this
7 paragraph only against the tax imposed in subsections (c)
8 and (d) of this Section. If the partnership makes that
9 election, those credits shall be allocated among the
10 partners in the partnership in accordance with the rules
11 set forth in Section 704(b) of the Internal Revenue Code,
12 and the rules promulgated under that Section, and the
13 allocated amount of the credits shall be allowed to the
14 partners for that taxable year. The partnership shall make
15 this election on its Personal Property Tax Replacement
16 Income Tax return for that taxable year. The election to
17 pass through the credits shall be irrevocable.

18 For taxable years ending on or after December 31,
19 2000, a partner that qualifies its partnership for a
20 subtraction under subparagraph (I) of paragraph (2) of
21 subsection (d) of Section 203 or a shareholder that
22 qualifies a Subchapter S corporation for a subtraction
23 under subparagraph (S) of paragraph (2) of subsection (b)
24 of Section 203 shall be allowed a credit under this
25 subsection (e) equal to its share of the credit earned
26 under this subsection (e) during the taxable year by the

1 partnership or Subchapter S corporation, determined in
2 accordance with the determination of income and
3 distributive share of income under Sections 702 and 704
4 and Subchapter S of the Internal Revenue Code. This
5 paragraph is exempt from the provisions of Section 250.

6 (f) Investment credit; Enterprise Zone; River Edge

7 Redevelopment Zone.

8 (1) A taxpayer shall be allowed a credit against the
9 tax imposed by subsections (a) and (b) of this Section for
10 investment in qualified property which is placed in
11 service in an Enterprise Zone created pursuant to the
12 Illinois Enterprise Zone Act or, for property placed in
13 service on or after July 1, 2006, a River Edge
14 Redevelopment Zone established pursuant to the River Edge
15 Redevelopment Zone Act. For partners, shareholders of
16 Subchapter S corporations, and owners of limited liability
17 companies, if the liability company is treated as a
18 partnership for purposes of federal and State income
19 taxation, for taxable years ending before December 31,
20 2023, there shall be allowed a credit under this
21 subsection (f) to be determined in accordance with the
22 determination of income and distributive share of income
23 under Sections 702 and 704 and Subchapter S of the
24 Internal Revenue Code. For taxable years ending on or
25 after December 31, 2023, for partners and shareholders of
26 Subchapter S corporations, the provisions of Section 251

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1 shall apply with respect to the credit under this
2 subsection. The credit shall be .5% of the basis for such
3 property. The credit shall be available only in the
4 taxable year in which the property is placed in service in
5 the Enterprise Zone or River Edge Redevelopment Zone and
6 shall not be allowed to the extent that it would reduce a
7 taxpayer's liability for the tax imposed by subsections
8 (a) and (b) of this Section to below zero. For tax years
9 ending on or after December 31, 1985, the credit shall be
10 allowed for the tax year in which the property is placed in
11 service, or, if the amount of the credit exceeds the tax
12 liability for that year, whether it exceeds the original
13 liability or the liability as later amended, such excess
14 may be carried forward and applied to the tax liability of
15 the 5 taxable years following the excess credit year. The
16 credit shall be applied to the earliest year for which
17 there is a liability. If there is credit from more than one
18 tax year that is available to offset a liability, the

19 credit accruing first in time shall be applied first.

20 (2) The term qualified property means property which:

21 (A) is tangible, whether new or used, including
22 buildings and structural components of buildings;

23 (B) is depreciable pursuant to Section 167 of the
24 Internal Revenue Code, except that "3-year property"
25 as defined in Section 168(c)(2)(A) of that Code is not
26 eligible for the credit provided by this subsection

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1 (f);

2 (C) is acquired by purchase as defined in Section
3 179(d) of the Internal Revenue Code;

4 (D) is used in the Enterprise Zone or River Edge
5 Redevelopment Zone by the taxpayer; and

6 (E) has not been previously used in Illinois in
7 such a manner and by such a person as would qualify for
8 the credit provided by this subsection (f) or
9 subsection (e).

10 (3) The basis of qualified property shall be the basis
11 used to compute the depreciation deduction for federal
12 income tax purposes.

13 (4) If the basis of the property for federal income
14 tax depreciation purposes is increased after it has been
15 placed in service in the Enterprise Zone or River Edge
16 Redevelopment Zone by the taxpayer, the amount of such
17 increase shall be deemed property placed in service on the
18 date of such increase in basis.

19 (5) The term "placed in service" shall have the same
20 meaning as under Section 46 of the Internal Revenue Code.

21 (6) If during any taxable year, any property ceases to
22 be qualified property in the hands of the taxpayer within
23 48 months after being placed in service, or the situs of
24 any qualified property is moved outside the Enterprise
25 Zone or River Edge Redevelopment Zone within 48 months
26 after being placed in service, the tax imposed under

1 subsections (a) and (b) of this Section for such taxable
2 year shall be increased. Such increase shall be determined
3 by (i) recomputing the investment credit which would have
4 been allowed for the year in which credit for such
5 property was originally allowed by eliminating such
6 property from such computation, and (ii) subtracting such
7 recomputed credit from the amount of credit previously
8 allowed. For the purposes of this paragraph (6), a
9 reduction of the basis of qualified property resulting
10 from a redetermination of the purchase price shall be
11 deemed a disposition of qualified property to the extent
12 of such reduction.

13 (7) There shall be allowed an additional credit equal
14 to 0.5% of the basis of qualified property placed in
15 service during the taxable year in a River Edge
16 Redevelopment Zone, provided such property is placed in
17 service on or after July 1, 2006, and the taxpayer's base
18 employment within Illinois has increased by 1% or more
19 over the preceding year as determined by the taxpayer's
20 employment records filed with the Illinois Department of
21 Employment Security. Taxpayers who are new to Illinois
22 shall be deemed to have met the 1% growth in base
23 employment for the first year in which they file
24 employment records with the Illinois Department of
25 Employment Security. If, in any year, the increase in base
26 employment within Illinois over the preceding year is less

1 than 1%, the additional credit shall be limited to that
2 percentage times a fraction, the numerator of which is
3 0.5% and the denominator of which is 1%, but shall not
4 exceed 0.5%.

5 (8) For taxable years beginning on or after January 1,
6 2021, there shall be allowed an Enterprise Zone
7 construction jobs credit against the taxes imposed under
8 subsections (a) and (b) of this Section as provided in
9 Section 13 of the Illinois Enterprise Zone Act.

10 The credit or credits may not reduce the taxpayer's

11 liability to less than zero. If the amount of the credit or
12 credits exceeds the taxpayer's liability, the excess may
13 be carried forward and applied against the taxpayer's
14 liability in succeeding calendar years in the same manner
15 provided under paragraph (4) of Section 211 of this Act.
16 The credit or credits shall be applied to the earliest
17 year for which there is a tax liability. If there are
18 credits from more than one taxable year that are available
19 to offset a liability, the earlier credit shall be applied
20 first.

21 For partners, shareholders of Subchapter S
22 corporations, and owners of limited liability companies,
23 if the liability company is treated as a partnership for
24 the purposes of federal and State income taxation, for
25 taxable years ending before December 31, 2023, there shall
26 be allowed a credit under this Section to be determined in

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1 accordance with the determination of income and
2 distributive share of income under Sections 702 and 704
3 and Subchapter S of the Internal Revenue Code. For taxable
4 years ending on or after December 31, 2023, for partners
5 and shareholders of Subchapter S corporations, the
6 provisions of Section 251 shall apply with respect to the
7 credit under this subsection.

8 The total aggregate amount of credits awarded under
9 the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
10 shall not exceed \$20,000,000 in any State fiscal year.

11 This paragraph (8) is exempt from the provisions of
12 Section 250.

13 (g) (Blank).

14 (h) Investment credit; High Impact Business.

15 (1) Subject to subsections (b) and (b-5) of Section
16 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
17 be allowed a credit against the tax imposed by subsections
18 (a) and (b) of this Section for investment in qualified
19 property which is placed in service by a Department of
20 Commerce and Economic Opportunity designated High Impact
21 Business. The credit shall be .5% of the basis for such
22 property. The credit shall not be available (i) until the

23 minimum investments in qualified property set forth in
24 subdivision (a)(3)(A) of Section 5.5 of the Illinois
25 Enterprise Zone Act have been satisfied or (ii) until the
26 time authorized in subsection (b-5) of the Illinois

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1 Enterprise Zone Act for entities designated as High Impact
2 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
3 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
4 Act, and shall not be allowed to the extent that it would
5 reduce a taxpayer's liability for the tax imposed by
6 subsections (a) and (b) of this Section to below zero. The
7 credit applicable to such investments shall be taken in
8 the taxable year in which such investments have been
9 completed. The credit for additional investments beyond
10 the minimum investment by a designated high impact
11 business authorized under subdivision (a)(3)(A) of Section
12 5.5 of the Illinois Enterprise Zone Act shall be available
13 only in the taxable year in which the property is placed in
14 service and shall not be allowed to the extent that it
15 would reduce a taxpayer's liability for the tax imposed by
16 subsections (a) and (b) of this Section to below zero. For
17 tax years ending on or after December 31, 1987, the credit
18 shall be allowed for the tax year in which the property is
19 placed in service, or, if the amount of the credit exceeds
20 the tax liability for that year, whether it exceeds the
21 original liability or the liability as later amended, such
22 excess may be carried forward and applied to the tax
23 liability of the 5 taxable years following the excess
24 credit year. The credit shall be applied to the earliest
25 year for which there is a liability. If there is credit
26 from more than one tax year that is available to offset a

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1 liability, the credit accruing first in time shall be
2 applied first.

3 Changes made in this subdivision (h)(1) by Public Act
4 88-670 restore changes made by Public Act 85-1182 and
5 reflect existing law.

6 (2) The term qualified property means property which:

7 (A) is tangible, whether new or used, including
8 buildings and structural components of buildings;

9 (B) is depreciable pursuant to Section 167 of the
10 Internal Revenue Code, except that "3-year property"
11 as defined in Section 168(c)(2)(A) of that Code is not
12 eligible for the credit provided by this subsection
13 (h);

14 (C) is acquired by purchase as defined in Section
15 179(d) of the Internal Revenue Code; and

16 (D) is not eligible for the Enterprise Zone
17 Investment Credit provided by subsection (f) of this
18 Section.

19 (3) The basis of qualified property shall be the basis
20 used to compute the depreciation deduction for federal
21 income tax purposes.

22 (4) If the basis of the property for federal income
23 tax depreciation purposes is increased after it has been
24 placed in service in a federally designated Foreign Trade
25 Zone or Sub-Zone located in Illinois by the taxpayer, the
26 amount of such increase shall be deemed property placed in

1 service on the date of such increase in basis.

2 (5) The term "placed in service" shall have the same
3 meaning as under Section 46 of the Internal Revenue Code.

4 (6) If during any taxable year ending on or before
5 December 31, 1996, any property ceases to be qualified
6 property in the hands of the taxpayer within 48 months
7 after being placed in service, or the situs of any
8 qualified property is moved outside Illinois within 48
9 months after being placed in service, the tax imposed
10 under subsections (a) and (b) of this Section for such
11 taxable year shall be increased. Such increase shall be
12 determined by (i) recomputing the investment credit which
13 would have been allowed for the year in which credit for
14 such property was originally allowed by eliminating such

15 property from such computation, and (ii) subtracting such
16 recomputed credit from the amount of credit previously
17 allowed. For the purposes of this paragraph (6), a
18 reduction of the basis of qualified property resulting
19 from a redetermination of the purchase price shall be
20 deemed a disposition of qualified property to the extent
21 of such reduction.

22 (7) Beginning with tax years ending after December 31,
23 1996, if a taxpayer qualifies for the credit under this
24 subsection (h) and thereby is granted a tax abatement and
25 the taxpayer relocates its entire facility in violation of
26 the explicit terms and length of the contract under

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1 Section 18-183 of the Property Tax Code, the tax imposed
2 under subsections (a) and (b) of this Section shall be
3 increased for the taxable year in which the taxpayer
4 relocated its facility by an amount equal to the amount of
5 credit received by the taxpayer under this subsection (h).

6 (h-5) High Impact Business construction jobs credit. For
7 taxable years beginning on or after January 1, 2021, there
8 shall also be allowed a High Impact Business construction jobs
9 credit against the tax imposed under subsections (a) and (b)
10 of this Section as provided in subsections (i) and (j) of
11 Section 5.5 of the Illinois Enterprise Zone Act.

12 The credit or credits may not reduce the taxpayer's
13 liability to less than zero. If the amount of the credit or
14 credits exceeds the taxpayer's liability, the excess may be
15 carried forward and applied against the taxpayer's liability
16 in succeeding calendar years in the manner provided under
17 paragraph (4) of Section 211 of this Act. The credit or credits
18 shall be applied to the earliest year for which there is a tax
19 liability. If there are credits from more than one taxable
20 year that are available to offset a liability, the earlier
21 credit shall be applied first.

22 For partners, shareholders of Subchapter S corporations,
23 and owners of limited liability companies, for taxable years
24 ending before December 31, 2023, if the liability company is
25 treated as a partnership for the purposes of federal and State
26 income taxation, there shall be allowed a credit under this

1 Section to be determined in accordance with the determination
2 of income and distributive share of income under Sections 702
3 and 704 and Subchapter S of the Internal Revenue Code. For
4 taxable years ending on or after December 31, 2023, for
5 partners and shareholders of Subchapter S corporations, the
6 provisions of Section 251 shall apply with respect to the
7 credit under this subsection.

8 The total aggregate amount of credits awarded under the
9 Blue Collar Jobs Act (Article 20 of Public Act 101-9) shall not
10 exceed \$20,000,000 in any State fiscal year.

11 This subsection (h-5) is exempt from the provisions of
12 Section 250.

13 (i) Credit for Personal Property Tax Replacement Income
14 Tax. For tax years ending prior to December 31, 2003, a credit
15 shall be allowed against the tax imposed by subsections (a)
16 and (b) of this Section for the tax imposed by subsections (c)
17 and (d) of this Section. This credit shall be computed by
18 multiplying the tax imposed by subsections (c) and (d) of this
19 Section by a fraction, the numerator of which is base income
20 allocable to Illinois and the denominator of which is Illinois
21 base income, and further multiplying the product by the tax
22 rate imposed by subsections (a) and (b) of this Section.

23 Any credit earned on or after December 31, 1986 under this
24 subsection which is unused in the year the credit is computed
25 because it exceeds the tax liability imposed by subsections
26 (a) and (b) for that year (whether it exceeds the original

1 liability or the liability as later amended) may be carried
2 forward and applied to the tax liability imposed by
3 subsections (a) and (b) of the 5 taxable years following the
4 excess credit year, provided that no credit may be carried
5 forward to any year ending on or after December 31, 2003. This
6 credit shall be applied first to the earliest year for which

7 there is a liability. If there is a credit under this
8 subsection from more than one tax year that is available to
9 offset a liability the earliest credit arising under this
10 subsection shall be applied first.

11 If, during any taxable year ending on or after December
12 31, 1986, the tax imposed by subsections (c) and (d) of this
13 Section for which a taxpayer has claimed a credit under this
14 subsection (i) is reduced, the amount of credit for such tax
15 shall also be reduced. Such reduction shall be determined by
16 recomputing the credit to take into account the reduced tax
17 imposed by subsections (c) and (d). If any portion of the
18 reduced amount of credit has been carried to a different
19 taxable year, an amended return shall be filed for such
20 taxable year to reduce the amount of credit claimed.

21 (j) Training expense credit. Beginning with tax years
22 ending on or after December 31, 1986 and prior to December 31,
23 2003, a taxpayer shall be allowed a credit against the tax
24 imposed by subsections (a) and (b) under this Section for all
25 amounts paid or accrued, on behalf of all persons employed by
26 the taxpayer in Illinois or Illinois residents employed

1 outside of Illinois by a taxpayer, for educational or
2 vocational training in semi-technical or technical fields or
3 semi-skilled or skilled fields, which were deducted from gross
4 income in the computation of taxable income. The credit
5 against the tax imposed by subsections (a) and (b) shall be
6 1.6% of such training expenses. For partners, shareholders of
7 subchapter S corporations, and owners of limited liability
8 companies, if the liability company is treated as a
9 partnership for purposes of federal and State income taxation,
10 for taxable years ending before December 31, 2023, there shall
11 be allowed a credit under this subsection (j) to be determined
12 in accordance with the determination of income and
13 distributive share of income under Sections 702 and 704 and
14 subchapter S of the Internal Revenue Code. For taxable years
15 ending on or after December 31, 2023, for partners and
16 shareholders of Subchapter S corporations, the provisions of
17 Section 251 shall apply with respect to the credit under this
18 subsection.

19 Any credit allowed under this subsection which is unused
20 in the year the credit is earned may be carried forward to each
21 of the 5 taxable years following the year for which the credit
22 is first computed until it is used. This credit shall be
23 applied first to the earliest year for which there is a
24 liability. If there is a credit under this subsection from
25 more than one tax year that is available to offset a liability,
26 the earliest credit arising under this subsection shall be

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1 applied first. No carryforward credit may be claimed in any
2 tax year ending on or after December 31, 2003.

3 (k) Research and development credit. For tax years ending
4 after July 1, 1990 and prior to December 31, 2003, and
5 beginning again for tax years ending on or after December 31,
6 2004, and ending prior to January 1, 2037 ~~January 1, 2032~~, a
7 taxpayer shall be allowed a credit against the tax imposed by
8 subsections (a) and (b) of this Section for increasing
9 research activities in this State. The credit allowed against
10 the tax imposed by subsections (a) and (b) shall be equal to 6
11 1/2% of the qualifying expenditures for increasing research
12 activities in this State. For partners, shareholders of
13 subchapter S corporations, and owners of limited liability
14 companies, if the liability company is treated as a
15 partnership for purposes of federal and State income taxation,
16 for taxable years ending before December 31, 2023, there shall
17 be allowed a credit under this subsection to be determined in
18 accordance with the determination of income and distributive
19 share of income under Sections 702 and 704 and subchapter S of
20 the Internal Revenue Code. For taxable years ending on or
21 after December 31, 2023, for partners and shareholders of
22 Subchapter S corporations, the provisions of Section 251 shall
23 apply with respect to the credit under this subsection.

24 For purposes of this subsection, "qualifying expenditures"
25 means the qualifying expenditures as defined for the federal
26 credit for increasing research activities which would be

1 allowable under Section 41 of the Internal Revenue Code and
2 which are conducted in this State, "qualifying expenditures
3 for increasing research activities in this State" means the
4 excess of qualifying expenditures for the taxable year in
5 which incurred over qualifying expenditures for the base
6 period, "qualifying expenditures for the base period" means
7 the average of the qualifying expenditures for each year in
8 the base period, and "base period" means the 3 taxable years
9 immediately preceding the taxable year for which the
10 determination is being made.

11 Any credit in excess of the tax liability for the taxable
12 year may be carried forward. A taxpayer may elect to have the
13 unused credit shown on its final completed return carried over
14 as a credit against the tax liability for the following 5
15 taxable years or until it has been fully used, whichever
16 occurs first; provided that no credit earned in a tax year
17 ending prior to December 31, 2003 may be carried forward to any
18 year ending on or after December 31, 2003.

19 If an unused credit is carried forward to a given year from
20 2 or more earlier years, that credit arising in the earliest
21 year will be applied first against the tax liability for the
22 given year. If a tax liability for the given year still
23 remains, the credit from the next earliest year will then be
24 applied, and so on, until all credits have been used or no tax
25 liability for the given year remains. Any remaining unused
26 credit or credits then will be carried forward to the next

1 following year in which a tax liability is incurred, except
2 that no credit can be carried forward to a year which is more
3 than 5 years after the year in which the expense for which the
4 credit is given was incurred.

5 No inference shall be drawn from Public Act 91-644 in
6 construing this Section for taxable years beginning before
7 January 1, 1999.

8 It is the intent of the General Assembly that the research
9 and development credit under this subsection (k) shall apply
10 continuously for all tax years ending on or after December 31,

11 2004 and ending prior to January 1, 2037 ~~January 1, 2032~~,
12 including, but not limited to, the period beginning on January
13 1, 2016 and ending on July 6, 2017 (the effective date of
14 Public Act 100-22). All actions taken in reliance on the
15 continuation of the credit under this subsection (k) by any
16 taxpayer are hereby validated.

17 (l) Environmental Remediation Tax Credit.

18 (i) For tax years ending after December 31, 1997 and
19 on or before December 31, 2001, a taxpayer shall be
20 allowed a credit against the tax imposed by subsections
21 (a) and (b) of this Section for certain amounts paid for
22 unreimbursed eligible remediation costs, as specified in
23 this subsection. For purposes of this Section,
24 "unreimbursed eligible remediation costs" means costs
25 approved by the Illinois Environmental Protection Agency
26 ("Agency") under Section 58.14 of the Environmental

1 Protection Act that were paid in performing environmental
2 remediation at a site for which a No Further Remediation
3 Letter was issued by the Agency and recorded under Section
4 58.10 of the Environmental Protection Act. The credit must
5 be claimed for the taxable year in which Agency approval
6 of the eligible remediation costs is granted. The credit
7 is not available to any taxpayer if the taxpayer or any
8 related party caused or contributed to, in any material
9 respect, a release of regulated substances on, in, or
10 under the site that was identified and addressed by the
11 remedial action pursuant to the Site Remediation Program
12 of the Environmental Protection Act. After the Pollution
13 Control Board rules are adopted pursuant to the Illinois
14 Administrative Procedure Act for the administration and
15 enforcement of Section 58.9 of the Environmental
16 Protection Act, determinations as to credit availability
17 for purposes of this Section shall be made consistent with
18 those rules. For purposes of this Section, "taxpayer"
19 includes a person whose tax attributes the taxpayer has
20 succeeded to under Section 381 of the Internal Revenue
21 Code and "related party" includes the persons disallowed a
22 deduction for losses by paragraphs (b), (c), and (f)(1) of

23 Section 267 of the Internal Revenue Code by virtue of
24 being a related taxpayer, as well as any of its partners.
25 The credit allowed against the tax imposed by subsections
26 (a) and (b) shall be equal to 25% of the unreimbursed

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1 eligible remediation costs in excess of \$100,000 per site,
2 except that the \$100,000 threshold shall not apply to any
3 site contained in an enterprise zone as determined by the
4 Department of Commerce and Community Affairs (now
5 Department of Commerce and Economic Opportunity). The
6 total credit allowed shall not exceed \$40,000 per year
7 with a maximum total of \$150,000 per site. For partners
8 and shareholders of subchapter S corporations, there shall
9 be allowed a credit under this subsection to be determined
10 in accordance with the determination of income and
11 distributive share of income under Sections 702 and 704
12 and subchapter S of the Internal Revenue Code.

13 (ii) A credit allowed under this subsection that is
14 unused in the year the credit is earned may be carried
15 forward to each of the 5 taxable years following the year
16 for which the credit is first earned until it is used. The
17 term "unused credit" does not include any amounts of
18 unreimbursed eligible remediation costs in excess of the
19 maximum credit per site authorized under paragraph (i).
20 This credit shall be applied first to the earliest year
21 for which there is a liability. If there is a credit under
22 this subsection from more than one tax year that is
23 available to offset a liability, the earliest credit
24 arising under this subsection shall be applied first. A
25 credit allowed under this subsection may be sold to a
26 buyer as part of a sale of all or part of the remediation

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1 site for which the credit was granted. The purchaser of a
2 remediation site and the tax credit shall succeed to the

3 unused credit and remaining carry-forward period of the
4 seller. To perfect the transfer, the assignor shall record
5 the transfer in the chain of title for the site and provide
6 written notice to the Director of the Illinois Department
7 of Revenue of the assignor's intent to sell the
8 remediation site and the amount of the tax credit to be
9 transferred as a portion of the sale. In no event may a
10 credit be transferred to any taxpayer if the taxpayer or a
11 related party would not be eligible under the provisions
12 of subsection (i).

13 (iii) For purposes of this Section, the term "site"
14 shall have the same meaning as under Section 58.2 of the
15 Environmental Protection Act.

16 (m) Education expense credit. Beginning with tax years
17 ending after December 31, 1999, a taxpayer who is the
18 custodian of one or more qualifying pupils shall be allowed a
19 credit against the tax imposed by subsections (a) and (b) of
20 this Section for qualified education expenses incurred on
21 behalf of the qualifying pupils. The credit shall be equal to
22 25% of qualified education expenses, but in no event may the
23 total credit under this subsection claimed by a family that is
24 the custodian of qualifying pupils exceed (i) \$500 for tax
25 years ending prior to December 31, 2017, and (ii) \$750 for tax
26 years ending on or after December 31, 2017. In no event shall a

1 credit under this subsection reduce the taxpayer's liability
2 under this Act to less than zero. Notwithstanding any other
3 provision of law, for taxable years beginning on or after
4 January 1, 2017, no taxpayer may claim a credit under this
5 subsection (m) if the taxpayer's adjusted gross income for the
6 taxable year exceeds (i) \$500,000, in the case of spouses
7 filing a joint federal tax return or (ii) \$250,000, in the case
8 of all other taxpayers. This subsection is exempt from the
9 provisions of Section 250 of this Act.

10 For purposes of this subsection:

11 "Qualifying pupils" means individuals who (i) are
12 residents of the State of Illinois, (ii) are under the age of
13 21 at the close of the school year for which a credit is
14 sought, and (iii) during the school year for which a credit is

15 sought were full-time pupils enrolled in a kindergarten
16 through twelfth grade education program at any school, as
17 defined in this subsection.

18 "Qualified education expense" means the amount incurred on
19 behalf of a qualifying pupil in excess of \$250 for tuition,
20 book fees, and lab fees at the school in which the pupil is
21 enrolled during the regular school year.

22 "School" means any public or nonpublic elementary or
23 secondary school in Illinois that is in compliance with Title
24 VI of the Civil Rights Act of 1964 and attendance at which
25 satisfies the requirements of Section 26-1 of the School Code,
26 except that nothing shall be construed to require a child to

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1 attend any particular public or nonpublic school to qualify
2 for the credit under this Section.

3 "Custodian" means, with respect to qualifying pupils, an
4 Illinois resident who is a parent, the parents, a legal
5 guardian, or the legal guardians of the qualifying pupils.

6 (n) River Edge Redevelopment Zone site remediation tax
7 credit.

8 (i) For tax years ending on or after December 31,
9 2006, a taxpayer shall be allowed a credit against the tax
10 imposed by subsections (a) and (b) of this Section for
11 certain amounts paid for unreimbursed eligible remediation
12 costs, as specified in this subsection. For purposes of
13 this Section, "unreimbursed eligible remediation costs"
14 means costs approved by the Illinois Environmental
15 Protection Agency ("Agency") under Section 58.14a of the
16 Environmental Protection Act that were paid in performing
17 environmental remediation at a site within a River Edge
18 Redevelopment Zone for which a No Further Remediation
19 Letter was issued by the Agency and recorded under Section
20 58.10 of the Environmental Protection Act. The credit must
21 be claimed for the taxable year in which Agency approval
22 of the eligible remediation costs is granted. The credit
23 is not available to any taxpayer if the taxpayer or any
24 related party caused or contributed to, in any material
25 respect, a release of regulated substances on, in, or
26 under the site that was identified and addressed by the

1 remedial action pursuant to the Site Remediation Program
2 of the Environmental Protection Act. Determinations as to
3 credit availability for purposes of this Section shall be
4 made consistent with rules adopted by the Pollution
5 Control Board pursuant to the Illinois Administrative
6 Procedure Act for the administration and enforcement of
7 Section 58.9 of the Environmental Protection Act. For
8 purposes of this Section, "taxpayer" includes a person
9 whose tax attributes the taxpayer has succeeded to under
10 Section 381 of the Internal Revenue Code and "related
11 party" includes the persons disallowed a deduction for
12 losses by paragraphs (b), (c), and (f)(1) of Section 267
13 of the Internal Revenue Code by virtue of being a related
14 taxpayer, as well as any of its partners. The credit
15 allowed against the tax imposed by subsections (a) and (b)
16 shall be equal to 25% of the unreimbursed eligible
17 remediation costs in excess of \$100,000 per site.

18 (ii) A credit allowed under this subsection that is
19 unused in the year the credit is earned may be carried
20 forward to each of the 5 taxable years following the year
21 for which the credit is first earned until it is used. This
22 credit shall be applied first to the earliest year for
23 which there is a liability. If there is a credit under this
24 subsection from more than one tax year that is available
25 to offset a liability, the earliest credit arising under
26 this subsection shall be applied first. A credit allowed

1 under this subsection may be sold to a buyer as part of a
2 sale of all or part of the remediation site for which the
3 credit was granted. The purchaser of a remediation site
4 and the tax credit shall succeed to the unused credit and
5 remaining carry-forward period of the seller. To perfect
6 the transfer, the assignor shall record the transfer in

7 the chain of title for the site and provide written notice
8 to the Director of the Illinois Department of Revenue of
9 the assignor's intent to sell the remediation site and the
10 amount of the tax credit to be transferred as a portion of
11 the sale. In no event may a credit be transferred to any
12 taxpayer if the taxpayer or a related party would not be
13 eligible under the provisions of subsection (i).

14 (iii) For purposes of this Section, the term "site"
15 shall have the same meaning as under Section 58.2 of the
16 Environmental Protection Act.

17 (o) For each of the taxable years during the Compassionate
18 Use of Medical Cannabis Program, a surcharge is imposed on all
19 taxpayers on income arising from the sale or exchange of
20 capital assets, depreciable business property, real property
21 used in the trade or business, and Section 197 intangibles of
22 an organization registrant under the Compassionate Use of
23 Medical Cannabis Program Act. The amount of the surcharge is
24 equal to the amount of federal income tax liability for the
25 taxable year attributable to those sales and exchanges. The
26 surcharge imposed does not apply if:

1 (1) the medical cannabis cultivation center
2 registration, medical cannabis dispensary registration, or
3 the property of a registration is transferred as a result
4 of any of the following:

5 (A) bankruptcy, a receivership, or a debt
6 adjustment initiated by or against the initial
7 registration or the substantial owners of the initial
8 registration;

9 (B) cancellation, revocation, or termination of
10 any registration by the Illinois Department of Public
11 Health;

12 (C) a determination by the Illinois Department of
13 Public Health that transfer of the registration is in
14 the best interests of Illinois qualifying patients as
15 defined by the Compassionate Use of Medical Cannabis
16 Program Act;

17 (D) the death of an owner of the equity interest in
18 a registrant;

19 (E) the acquisition of a controlling interest in
20 the stock or substantially all of the assets of a
21 publicly traded company;

22 (F) a transfer by a parent company to a wholly
23 owned subsidiary; or

24 (G) the transfer or sale to or by one person to
25 another person where both persons were initial owners
26 of the registration when the registration was issued;

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1 or

2 (2) the cannabis cultivation center registration,
3 medical cannabis dispensary registration, or the
4 controlling interest in a registrant's property is
5 transferred in a transaction to lineal descendants in
6 which no gain or loss is recognized or as a result of a
7 transaction in accordance with Section 351 of the Internal
8 Revenue Code in which no gain or loss is recognized.

9 (p) Pass-through entity tax.

10 (1) For taxable years ending on or after December 31,
11 2021, a partnership (other than a publicly traded
12 partnership under Section 7704 of the Internal Revenue
13 Code) or Subchapter S corporation may elect to apply the
14 provisions of this subsection. A separate election shall
15 be made for each taxable year. Such election shall be made
16 at such time, and in such form and manner as prescribed by
17 the Department, and, once made, is irrevocable.

18 (2) Entity-level tax. A partnership or Subchapter S
19 corporation electing to apply the provisions of this
20 subsection shall be subject to a tax for the privilege of
21 earning or receiving income in this State in an amount
22 equal to 4.95% of the taxpayer's net income for the
23 taxable year.

24 (3) Net income defined.

25 (A) In general. For purposes of paragraph (2), the
26 term net income has the same meaning as defined in

1 Section 202 of this Act, except that, for tax years
2 ending on or after December 31, 2023, a deduction
3 shall be allowed in computing base income for
4 distributions to a retired partner to the extent that
5 the partner's distributions are exempt from tax under
6 Section 203(a)(2)(F) of this Act. In addition, the
7 following modifications shall not apply:

8 (i) the standard exemption allowed under
9 Section 204;

10 (ii) the deduction for net losses allowed
11 under Section 207;

12 (iii) in the case of an S corporation, the
13 modification under Section 203(b)(2)(S); and

14 (iv) in the case of a partnership, the
15 modifications under Section 203(d)(2)(H) and
16 Section 203(d)(2)(I).

17 (B) Special rule for tiered partnerships. If a
18 taxpayer making the election under paragraph (1) is a
19 partner of another taxpayer making the election under
20 paragraph (1), net income shall be computed as
21 provided in subparagraph (A), except that the taxpayer
22 shall subtract its distributive share of the net
23 income of the electing partnership (including its
24 distributive share of the net income of the electing
25 partnership derived as a distributive share from
26 electing partnerships in which it is a partner).

1 (4) Credit for entity level tax. Each partner or
2 shareholder of a taxpayer making the election under this
3 Section shall be allowed a credit against the tax imposed
4 under subsections (a) and (b) of Section 201 of this Act
5 for the taxable year of the partnership or Subchapter S
6 corporation for which an election is in effect ending
7 within or with the taxable year of the partner or
8 shareholder in an amount equal to 4.95% times the partner
9 or shareholder's distributive share of the net income of
10 the electing partnership or Subchapter S corporation, but

11 not to exceed the partner's or shareholder's share of the
12 tax imposed under paragraph (1) which is actually paid by
13 the partnership or Subchapter S corporation. If the
14 taxpayer is a partnership or Subchapter S corporation that
15 is itself a partner of a partnership making the election
16 under paragraph (1), the credit under this paragraph shall
17 be allowed to the taxpayer's partners or shareholders (or
18 if the partner is a partnership or Subchapter S
19 corporation then its partners or shareholders) in
20 accordance with the determination of income and
21 distributive share of income under Sections 702 and 704
22 and Subchapter S of the Internal Revenue Code. If the
23 amount of the credit allowed under this paragraph exceeds
24 the partner's or shareholder's liability for tax imposed
25 under subsections (a) and (b) of Section 201 of this Act
26 for the taxable year, such excess shall be treated as an

1 overpayment for purposes of Section 909 of this Act.

2 (5) Nonresidents. A nonresident individual who is a
3 partner or shareholder of a partnership or Subchapter S
4 corporation for a taxable year for which an election is in
5 effect under paragraph (1) shall not be required to file
6 an income tax return under this Act for such taxable year
7 if the only source of net income of the individual (or the
8 individual and the individual's spouse in the case of a
9 joint return) is from an entity making the election under
10 paragraph (1) and the credit allowed to the partner or
11 shareholder under paragraph (4) equals or exceeds the
12 individual's liability for the tax imposed under
13 subsections (a) and (b) of Section 201 of this Act for the
14 taxable year.

15 (6) Liability for tax. Except as provided in this
16 paragraph, a partnership or Subchapter S making the
17 election under paragraph (1) is liable for the
18 entity-level tax imposed under paragraph (2). If the
19 electing partnership or corporation fails to pay the full
20 amount of tax deemed assessed under paragraph (2), the
21 partners or shareholders shall be liable to pay the tax
22 assessed (including penalties and interest). Each partner

23 or shareholder shall be liable for the unpaid assessment
24 based on the ratio of the partner's or shareholder's share
25 of the net income of the partnership over the total net
26 income of the partnership. If the partnership or

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1 Subchapter S corporation fails to pay the tax assessed
2 (including penalties and interest) and thereafter an
3 amount of such tax is paid by the partners or
4 shareholders, such amount shall not be collected from the
5 partnership or corporation.

6 (7) Foreign tax. For purposes of the credit allowed
7 under Section 601(b)(3) of this Act, tax paid by a
8 partnership or Subchapter S corporation to another state
9 which, as determined by the Department, is substantially
10 similar to the tax imposed under this subsection, shall be
11 considered tax paid by the partner or shareholder to the
12 extent that the partner's or shareholder's share of the
13 income of the partnership or Subchapter S corporation
14 allocated and apportioned to such other state bears to the
15 total income of the partnership or Subchapter S
16 corporation allocated or apportioned to such other state.

17 (8) Suspension of withholding. The provisions of
18 Section 709.5 of this Act shall not apply to a partnership
19 or Subchapter S corporation for the taxable year for which
20 an election under paragraph (1) is in effect.

21 (9) Requirement to pay estimated tax. For each taxable
22 year for which an election under paragraph (1) is in
23 effect, a partnership or Subchapter S corporation is
24 required to pay estimated tax for such taxable year under
25 Sections 803 and 804 of this Act if the amount payable as
26 estimated tax can reasonably be expected to exceed \$500.

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1 (10) The provisions of this subsection shall apply
2 only with respect to taxable years for which the

3 limitation on individual deductions applies under Section
4 164(b)(6) of the Internal Revenue Code.
5 (Source: P.A. 103-9, eff. 6-7-23; 103-396, eff. 1-1-24;
6 103-595, eff. 6-26-24; 103-605, eff. 7-1-24; 104-453, eff.
7 12-12-25.)

8 (35 ILCS 5/220)

9 Sec. 220. Angel investment credit.

10 (a) As used in this Section:

11 "Applicant" means a corporation, partnership, limited
12 liability company, or a natural person that makes an
13 investment in a qualified new business venture. The term
14 "applicant" does not include (i) a corporation, partnership,
15 limited liability company, or a natural person who has a
16 direct or indirect ownership interest of at least 51% in the
17 profits, capital, or value of the qualified new business
18 venture receiving the investment or (ii) a related member.

19 "Claimant" means an applicant certified by the Department
20 who files a claim for a credit under this Section.

21 "Department" means the Department of Commerce and Economic
22 Opportunity.

23 "Investment" means money (or its equivalent) given to a
24 qualified new business venture, at a risk of loss, in
25 consideration for an equity interest of the qualified new

1 business venture. The Department may adopt rules to permit
2 certain forms of contingent equity investments to be
3 considered eligible for a tax credit under this Section.

4 "Qualified new business venture" means a business that is
5 registered with the Department under this Section.

6 "Related member" means a person that, with respect to the
7 applicant, is any one of the following:

8 (1) An individual, if the individual and the members
9 of the individual's family (as defined in Section 318 of
10 the Internal Revenue Code) own directly, indirectly,
11 beneficially, or constructively, in the aggregate, at
12 least 50% of the value of the outstanding profits,
13 capital, stock, or other ownership interest in the
14 qualified new business venture that is the recipient of

15 the applicant's investment.

16 (2) A partnership, estate, or trust and any partner or
17 beneficiary, if the partnership, estate, or trust and its
18 partners or beneficiaries own directly, indirectly,
19 beneficially, or constructively, in the aggregate, at
20 least 50% of the profits, capital, stock, or other
21 ownership interest in the qualified new business venture
22 that is the recipient of the applicant's investment.

23 (3) A corporation, and any party related to the
24 corporation in a manner that would require an attribution
25 of stock from the corporation under the attribution rules
26 of Section 318 of the Internal Revenue Code, if the

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1 applicant and any other related member own, in the
2 aggregate, directly, indirectly, beneficially, or
3 constructively, at least 50% of the value of the
4 outstanding stock of the qualified new business venture
5 that is the recipient of the applicant's investment.

6 (4) A corporation and any party related to that
7 corporation in a manner that would require an attribution
8 of stock from the corporation to the party or from the
9 party to the corporation under the attribution rules of
10 Section 318 of the Internal Revenue Code, if the
11 corporation and all such related parties own, in the
12 aggregate, at least 50% of the profits, capital, stock, or
13 other ownership interest in the qualified new business
14 venture that is the recipient of the applicant's
15 investment.

16 (5) A person to or from whom there is attribution of
17 ownership of stock in the qualified new business venture
18 that is the recipient of the applicant's investment in
19 accordance with Section 1563(e) of the Internal Revenue
20 Code, except that for purposes of determining whether a
21 person is a related member under this paragraph, "20%"
22 shall be substituted for "5%" whenever "5%" appears in
23 Section 1563(e) of the Internal Revenue Code.

24 (b) For taxable years beginning after December 31, 2010,
25 and ending on or before December 31, 2032 ~~December 31, 2026~~,
26 subject to the limitations provided in this Section, a

1 claimant may claim, as a credit against the tax imposed under
2 subsections (a) and (b) of Section 201 of this Act, an amount
3 equal to 25% of the claimant's investment made directly in a
4 qualified new business venture. However, the amount of the
5 credit is 35% of the claimant's investment made directly in
6 the qualified new business venture if the investment is made
7 in: (1) a qualified new business venture that is a
8 minority-owned business, a women-owned business, or a business
9 owned by a person with a disability (as those terms are used
10 and defined in the Business Enterprise for Minorities, Women,
11 and Persons with Disabilities Act); or (2) a qualified new
12 business venture in which the principal place of business is
13 located in a county with a population of not more than 250,000.
14 In order for an investment in a qualified new business venture
15 to be eligible for tax credits, the business must have applied
16 for and received certification under subsection (e) for the
17 taxable year in which the investment was made prior to the date
18 on which the investment was made. The credit under this
19 Section may not exceed the taxpayer's Illinois income tax
20 liability for the taxable year. If the amount of the credit
21 exceeds the tax liability for the year, the excess may be
22 carried forward and applied to the tax liability of the 5
23 taxable years following the excess credit year. The credit
24 shall be applied to the earliest year for which there is a tax
25 liability. If there are credits from more than one tax year
26 that are available to offset a liability, the earlier credit

1 shall be applied first. In the case of a partnership or
2 Subchapter S Corporation, the credit is allowed to the
3 partners or shareholders in accordance with the determination
4 of income and distributive share of income under Sections 702
5 and 704 and Subchapter S of the Internal Revenue Code.
6 (c) The minimum amount an applicant must invest in any

7 single qualified new business venture in order to be eligible
8 for a credit under this Section is \$10,000. The maximum amount
9 of an applicant's total investment made in any single
10 qualified new business venture that may be used as the basis
11 for a credit under this Section is \$2,000,000.

12 (d) The Department shall implement a program to certify an
13 applicant for an angel investment credit. Upon satisfactory
14 review, the Department shall issue a tax credit certificate
15 stating the amount of the tax credit to which the applicant is
16 entitled. The Department shall annually certify that: (i) each
17 qualified new business venture that receives an angel
18 investment under this Section has maintained a minimum
19 employment threshold, as defined by rule, in the State (and
20 continues to maintain a minimum employment threshold in the
21 State for a period of no less than 3 years from the issue date
22 of the last tax credit certificate issued by the Department
23 with respect to such business pursuant to this Section); and
24 (ii) the claimant's investment has been made and remains,
25 except in the event of a qualifying liquidity event, in the
26 qualified new business venture for no less than 3 years.

1 If an investment for which a claimant is allowed a credit
2 under subsection (b) is held by the claimant for less than 3
3 years, other than as a result of a permitted sale of the
4 investment to person who is not a related member, the claimant
5 shall pay to the Department of Revenue, in the manner
6 prescribed by the Department of Revenue, the aggregate amount
7 of the disqualified credits that the claimant received related
8 to the subject investment.

9 If the Department determines that a qualified new business
10 venture failed to maintain a minimum employment threshold in
11 the State through the date which is 3 years from the issue date
12 of the last tax credit certificate issued by the Department
13 with respect to the subject business pursuant to this Section,
14 except for any 3-year reporting period that includes March 13,
15 2020 to January 1, 2024, the claimant or claimants shall pay to
16 the Department of Revenue, in the manner prescribed by the
17 Department of Revenue, the aggregate amount of the
18 disqualified credits that claimant or claimants received

19 related to investments in that business. For tax credits under
20 this Section involving a 3-year reporting period that includes
21 March 13, 2020 to January 1, 2024, the repayment of any tax
22 credits issued shall be determined at the discretion of the
23 Department.

24 (e) The Department shall implement a program to register
25 qualified new business ventures for purposes of this Section.
26 A business desiring registration under this Section shall be

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1 required to submit a full and complete application to the
2 Department. A submitted application shall be effective only
3 for the taxable year in which it is submitted, and a business
4 desiring registration under this Section shall be required to
5 submit a separate application in and for each taxable year for
6 which the business desires registration. Further, if at any
7 time prior to the acceptance of an application for
8 registration under this Section by the Department one or more
9 events occurs which makes the information provided in that
10 application materially false or incomplete (in whole or in
11 part), the business shall promptly notify the Department of
12 the same. Any failure of a business to promptly provide the
13 foregoing information to the Department may, at the discretion
14 of the Department, result in a revocation of a previously
15 approved application for that business, or disqualification of
16 the business from future registration under this Section, or
17 both. The Department may register the business only if all of
18 the following conditions are satisfied:

19 (1) it has its principal place of business in this
20 State;

21 (2) at least 51% of the employees employed by the
22 business are employed in this State;

23 (3) the business has the potential for increasing jobs
24 in this State, increasing capital investment in this
25 State, or both, as determined by the Department, and
26 either of the following apply:

1 (A) it is principally engaged in innovation in any
2 of the following: manufacturing; biotechnology;
3 nanotechnology; communications; agricultural
4 sciences; clean energy creation or storage technology;
5 processing or assembling products, including medical
6 devices, pharmaceuticals, computer software, computer
7 hardware, semiconductors, other innovative technology
8 products, or other products that are produced using
9 manufacturing methods that are enabled by applying
10 proprietary technology; or providing services that are
11 enabled by applying proprietary technology; or

12 (B) it is undertaking pre-commercialization
13 activity related to proprietary technology that
14 includes conducting research, developing a new product
15 or business process, or developing a service that is
16 principally reliant on applying proprietary
17 technology;

18 (4) it is not principally engaged in real estate
19 development, insurance, banking, lending, lobbying,
20 political consulting, professional services provided by
21 attorneys, accountants, business consultants, physicians,
22 or health care consultants, wholesale or retail trade,
23 leisure, hospitality, transportation, or construction,
24 except construction of power production plants that derive
25 energy from a renewable energy resource, as defined in
26 Section 1 of the Illinois Power Agency Act;

1 (5) at the time it is first certified:

2 (A) it has fewer than 100 employees;

3 (B) it has been in operation in Illinois for not
4 more than 10 consecutive years prior to the year of
5 certification; and

6 (C) it has received not more than \$10,000,000 in
7 aggregate investments;

8 (5.1) it agrees to maintain a minimum employment
9 threshold in the State of Illinois prior to the date which
10 is 3 years from the issue date of the last tax credit

11 certificate issued by the Department with respect to that
12 business pursuant to this Section;
13 (6) (blank); and
14 (7) it has received not more than \$4,000,000 in
15 investments that qualified for tax credits under this
16 Section.

17 (f) The Department, in consultation with the Department of
18 Revenue, shall adopt rules to administer this Section. For
19 taxable years beginning before January 1, 2024, the aggregate
20 amount of the tax credits that may be claimed under this
21 Section for investments made in qualified new business
22 ventures shall be limited to \$10,000,000 per calendar year, of
23 which \$500,000 shall be reserved for investments made in
24 qualified new business ventures which are minority-owned
25 businesses, women-owned businesses, or businesses owned by a
26 person with a disability (as those terms are used and defined

1 in the Business Enterprise for Minorities, Women, and Persons
2 with Disabilities Act), and an additional \$500,000 shall be
3 reserved for investments made in qualified new business
4 ventures with their principal place of business in counties
5 with a population of not more than 250,000. For taxable years
6 beginning on or after January 1, 2024, the aggregate amount of
7 the tax credits that may be claimed under this Section for
8 investments made in qualified new business ventures shall be
9 limited to \$15,000,000 per calendar year, of which \$2,500,000
10 shall be reserved for investments made in qualified new
11 business ventures that are minority-owned businesses (as the
12 term is defined in the Business Enterprise for Minorities,
13 Women, and Persons with Disabilities Act), \$1,250,000 shall be
14 reserved for investments made in qualified new business
15 ventures that are women-owned businesses or businesses owned
16 by a person with a disability (as those terms are defined in
17 the Business Enterprise for Minorities, Women, and Persons
18 with Disabilities Act), and \$1,250,000 shall be reserved for
19 investments made in qualified new business ventures with their
20 principal place of business in a county with a population of
21 not more than 250,000. The annual allowable amounts set forth
22 in this Section shall be allocated by the Department, on a per

23 calendar quarter basis and prior to the commencement of each
24 calendar year, in such proportion as determined by the
25 Department, provided that: (i) the amount initially allocated
26 by the Department for any one calendar quarter shall not

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1 exceed 35% of the total allowable amount; (ii) any portion of
2 the allocated allowable amount remaining unused as of the end
3 of any of the first 3 calendar quarters of a given calendar
4 year shall be rolled into, and added to, the total allocated
5 amount for the next available calendar quarter; and (iii) the
6 reservation of tax credits for investments in minority-owned
7 businesses, women-owned businesses, businesses owned by a
8 person with a disability, and in businesses in counties with a
9 population of not more than 250,000 is limited to the first 3
10 calendar quarters of a given calendar year, after which they
11 may be claimed by investors in any qualified new business
12 venture.

13 (g) A claimant may not sell or otherwise transfer a credit
14 awarded under this Section to another person.

15 (h) On or before March 1 of each year, the Department shall
16 report to the Governor and to the General Assembly on the tax
17 credit certificates awarded under this Section for the prior
18 calendar year.

19 (1) This report must include, for each tax credit
20 certificate awarded:

21 (A) the name of the claimant and the amount of
22 credit awarded or allocated to that claimant;

23 (B) the name and address (including the county) of
24 the qualified new business venture that received the
25 investment giving rise to the credit, the North
26 American Industry Classification System (NAICS) code

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1 applicable to that qualified new business venture, and
2 the number of employees of the qualified new business

3 venture; and

4 (C) the date of approval by the Department of each
5 claimant's tax credit certificate.

6 (2) The report must also include:

7 (A) the total number of applicants and the total
8 number of claimants, including the amount of each tax
9 credit certificate awarded to a claimant under this
10 Section in the prior calendar year;

11 (B) the total number of applications from
12 businesses seeking registration under this Section,
13 the total number of new qualified business ventures
14 registered by the Department, and the aggregate amount
15 of investment upon which tax credit certificates were
16 issued in the prior calendar year; and

17 (C) the total amount of tax credit certificates
18 sought by applicants, the amount of each tax credit
19 certificate issued to a claimant, the aggregate amount
20 of all tax credit certificates issued in the prior
21 calendar year and the aggregate amount of tax credit
22 certificates issued as authorized under this Section
23 for all calendar years.

24 (i) For each business seeking registration under this
25 Section after December 31, 2016, the Department shall require
26 the business to include in its application the North American

1 Industry Classification System (NAICS) code applicable to the
2 business and the number of employees of the business at the
3 time of application. Each business registered by the
4 Department as a qualified new business venture that receives
5 an investment giving rise to the issuance of a tax credit
6 certificate pursuant to this Section shall, for each of the 3
7 years following the issue date of the last tax credit
8 certificate issued by the Department with respect to such
9 business pursuant to this Section, report to the Department
10 the following:

11 (1) the number of employees and the location at which
12 those employees are employed, both as of the end of each
13 year;

14 (2) the amount of additional new capital investment

15 raised as of the end of each year, if any; and
16 (3) the terms of any liquidity event occurring during
17 such year; for the purposes of this Section, a "liquidity
18 event" means any event that would be considered an exit
19 for an illiquid investment, including any event that
20 allows the equity holders of the business (or any material
21 portion thereof) to cash out some or all of their
22 respective equity interests.
23 (Source: P.A. 102-16, eff. 6-17-21; 103-9, eff. 1-1-24;
24 103-945, eff. 8-9-24.)
25 (35 ILCS 5/221)

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1 Sec. 221. Rehabilitation costs; qualified historic
2 properties; River Edge Redevelopment Zone.

3 (a) For taxable years that begin on or after January 1,
4 2012 and begin prior to January 1, 2018, there shall be allowed
5 a tax credit against the tax imposed by subsections (a) and (b)
6 of Section 201 of this Act in an amount equal to 25% of
7 qualified expenditures incurred by a qualified taxpayer during
8 the taxable year in the restoration and preservation of a
9 qualified historic structure located in a River Edge
10 Redevelopment Zone pursuant to a qualified rehabilitation
11 plan, provided that the total amount of such expenditures (i)
12 must equal \$5,000 or more and (ii) must exceed 50% of the
13 purchase price of the property.

14 (a-1) For taxable years that begin on or after January 1,
15 2018 and end prior to January 1, 2034 ~~January 1, 2029~~, there
16 shall be allowed a tax credit against the tax imposed by
17 subsections (a) and (b) of Section 201 of this Act in an
18 aggregate amount equal to 25% of qualified expenditures
19 incurred by a qualified taxpayer in the restoration and
20 preservation of a qualified historic structure located in a
21 River Edge Redevelopment Zone pursuant to a qualified
22 rehabilitation plan, provided that the total amount of such
23 expenditures must (i) equal \$5,000 or more and (ii) exceed the
24 adjusted basis of the qualified historic structure on the
25 first day the qualified rehabilitation plan begins. For any
26 rehabilitation project, regardless of duration or number of

1 phases, the project's compliance with the foregoing provisions
2 (i) and (ii) shall be determined based on the aggregate amount
3 of qualified expenditures for the entire project and may
4 include expenditures incurred under subsection (a), this
5 subsection, or both subsection (a) and this subsection. If the
6 qualified rehabilitation plan spans multiple years, the
7 aggregate credit for the entire project shall be allowed in
8 the last taxable year, except for phased rehabilitation
9 projects, which may receive credits upon completion of each
10 phase. Before obtaining the first phased credit: (A) the total
11 amount of such expenditures must meet the requirements of
12 provisions (i) and (ii) of this subsection; (B) the
13 rehabilitated portion of the qualified historic structure must
14 be placed in service; and (C) the requirements of subsection
15 (b) must be met.

16 (a-2) For taxable years beginning on or after January 1,
17 2021 and ending prior to January 1, 2029, there shall be
18 allowed a tax credit against the tax imposed by subsections
19 (a) and (b) of Section 201 as provided in Section 10-10.3 of
20 the River Edge Redevelopment Zone Act. The credit allowed
21 under this subsection (a-2) shall apply only to taxpayers that
22 make a capital investment of at least \$1,000,000 in a
23 qualified rehabilitation plan.

24 The credit or credits may not reduce the taxpayer's
25 liability to less than zero. If the amount of the credit or
26 credits exceeds the taxpayer's liability, the excess may be

1 carried forward and applied against the taxpayer's liability
2 in succeeding calendar years in the manner provided under
3 paragraph (4) of Section 211 of this Act. The credit or credits
4 shall be applied to the earliest year for which there is a tax
5 liability. If there are credits from more than one taxable
6 year that are available to offset a liability, the earlier

7 credit shall be applied first.

8 For partners, shareholders of Subchapter S corporations,
9 and owners of limited liability companies, if the liability
10 company is treated as a partnership for the purposes of
11 federal and State income taxation, there shall be allowed a
12 credit under this Section to be determined in accordance with
13 the determination of income and distributive share of income
14 under Sections 702 and 704 and Subchapter S of the Internal
15 Revenue Code.

16 The total aggregate amount of credits awarded under the
17 Blue Collar Jobs Act (Article 20 of this amendatory Act of the
18 101st General Assembly) shall not exceed \$20,000,000 in any
19 State fiscal year.

20 (b) To obtain a tax credit pursuant to this Section, the
21 taxpayer must apply with the Department of Natural Resources.
22 The Department of Natural Resources shall determine the amount
23 of eligible rehabilitation costs and expenses in addition to
24 the amount of the River Edge construction jobs credit within
25 45 days of receipt of a complete application. The taxpayer
26 must submit a certification of costs prepared by an

1 independent certified public accountant that certifies (i) the
2 project expenses, (ii) whether those expenses are qualified
3 expenditures, and (iii) that the qualified expenditures exceed
4 the adjusted basis of the qualified historic structure on the
5 first day the qualified rehabilitation plan commenced. The
6 Department of Natural Resources is authorized, but not
7 required, to accept this certification of costs to determine
8 the amount of qualified expenditures and the amount of the
9 credit. The Department of Natural Resources shall provide
10 guidance as to the minimum standards to be followed in the
11 preparation of such certification. The Department of Natural
12 Resources and the National Park Service shall determine
13 whether the rehabilitation is consistent with the United
14 States Secretary of the Interior's Standards for
15 Rehabilitation.

16 (b-1) Upon completion of the project and approval of the
17 complete application, the Department of Natural Resources
18 shall issue a single certificate in the amount of the eligible

19 credits equal to 25% of qualified expenditures incurred during
20 the eligible taxable years, as defined in subsections (a) and
21 (a-1), excepting any credits awarded under subsection (a)
22 prior to January 1, 2019 (the effective date of Public Act
23 100-629) and any phased credits issued prior to the eligible
24 taxable year under subsection (a-1). At the time the
25 certificate is issued, an issuance fee up to the maximum
26 amount of 2% of the amount of the credits issued by the

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1 certificate may be collected from the applicant to administer
2 the provisions of this Section. If collected, this issuance
3 fee shall be deposited into the Historic Property
4 Administrative Fund, a special fund created in the State
5 treasury. Subject to appropriation, moneys in the Historic
6 Property Administrative Fund shall be provided to the
7 Department of Natural Resources as reimbursement for the costs
8 associated with administering this Section.

9 (c) The taxpayer must attach the certificate to the tax
10 return on which the credits are to be claimed. The tax credit
11 under this Section may not reduce the taxpayer's liability to
12 less than zero. If the amount of the credit exceeds the tax
13 liability for the year, the excess credit may be carried
14 forward and applied to the tax liability of the 5 taxable years
15 following the excess credit year.

16 (c-1) Subject to appropriation, moneys in the Historic
17 Property Administrative Fund shall be used, on a biennial
18 basis beginning at the end of the second fiscal year after
19 January 1, 2019 (the effective date of Public Act 100-629), to
20 hire a qualified third party to prepare a biennial report to
21 assess the overall economic impact to the State from the
22 qualified rehabilitation projects under this Section completed
23 in that year and in previous years. The overall economic
24 impact shall include at least: (1) the direct and indirect or
25 induced economic impacts of completed projects; (2) temporary,
26 permanent, and construction jobs created; (3) sales, income,

1 and property tax generation before, during construction, and
2 after completion; and (4) indirect neighborhood impact after
3 completion. The report shall be submitted to the Governor and
4 the General Assembly. The report to the General Assembly shall
5 be filed with the Clerk of the House of Representatives and the
6 Secretary of the Senate in electronic form only, in the manner
7 that the Clerk and the Secretary shall direct.

8 (c-2) The Department of Natural Resources may adopt rules
9 to implement this Section in addition to the rules expressly
10 authorized in this Section.

11 (d) As used in this Section, the following terms have the
12 following meanings.

13 "Phased rehabilitation" means a project that is completed
14 in phases, as defined under Section 47 of the federal Internal
15 Revenue Code and pursuant to National Park Service regulations
16 at 36 C.F.R. 67.

17 "Placed in service" means the date when the property is
18 placed in a condition or state of readiness and availability
19 for a specifically assigned function as defined under Section
20 47 of the federal Internal Revenue Code and federal Treasury
21 Regulation Sections 1.46 and 1.48.

22 "Qualified expenditure" means all the costs and expenses
23 defined as qualified rehabilitation expenditures under Section
24 47 of the federal Internal Revenue Code that were incurred in
25 connection with a qualified historic structure.

26 "Qualified historic structure" means a certified historic

1 structure as defined under Section 47(c)(3) of the federal
2 Internal Revenue Code.

3 "Qualified rehabilitation plan" means a project that is
4 approved by the Department of Natural Resources and the
5 National Park Service as being consistent with the United
6 States Secretary of the Interior's Standards for
7 Rehabilitation.

8 "Qualified taxpayer" means the owner of the qualified
9 historic structure or any other person who qualifies for the
10 federal rehabilitation credit allowed by Section 47 of the

11 federal Internal Revenue Code with respect to that qualified
12 historic structure. Partners, shareholders of subchapter S
13 corporations, and owners of limited liability companies (if
14 the limited liability company is treated as a partnership for
15 purposes of federal and State income taxation) are entitled to
16 a credit under this Section to be determined in accordance
17 with the determination of income and distributive share of
18 income under Sections 702 and 703 and subchapter S of the
19 Internal Revenue Code, provided that credits granted to a
20 partnership, a limited liability company taxed as a
21 partnership, or other multiple owners of property shall be
22 passed through to the partners, members, or owners
23 respectively on a pro rata basis or pursuant to an executed
24 agreement among the partners, members, or owners documenting
25 any alternate distribution method.
26 (Source: P.A. 104-434, eff. 11-21-25.)

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1 (35 ILCS 5/231)
2 Sec. 231. Apprenticeship education expense credit.
3 (a) As used in this Section:
4 "Accredited training organization" means an organization
5 that:
6 (1) incurs costs related to training apprentice
7 employees;
8 (2) maintains an apprenticeship program approved by
9 the United States Department of Labor, Office of
10 Apprenticeships, that results in an industry-recognized
11 credential; and either
12 (3) is affiliated with a public or nonpublic secondary
13 school in Illinois and is:
14 (A) an institution of higher education that
15 provides a program that leads to an
16 industry-recognized postsecondary credential or
17 degree;
18 (B) an entity that carries out programs that
19 are registered under the federal National
20 Apprenticeship Act; or
21 (C) a public or private provider of a program

22 of training services, including, but not limited to, a
23 joint labor-management organization; or
24 (4) is not affiliated with a public or nonpublic
25 secondary school in Illinois but receives preapproval from

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1 the Department to receive tax credits under this Section.
2 "Department" means the Department of Commerce and Economic
3 Opportunity.
4 "Employer" means an Illinois taxpayer who is the employer
5 of the qualifying apprentice.
6 "Qualifying apprentice" means an individual who: (i) is a
7 resident of the State of Illinois; (ii) is at least 16 years
8 old at the close of the school year for which a credit is
9 sought; (iii) during the school year for which a credit is
10 sought, was a full-time apprentice enrolled in an
11 apprenticeship program which is registered with the United
12 States Department of Labor, Office of Apprenticeship; and (iv)
13 is employed in Illinois by the taxpayer who is the employer.
14 "Qualified education expense" means the amount incurred on
15 behalf of a qualifying apprentice not to exceed \$3,500 for
16 tuition, instructional materials, fees (including, but not
17 limited to, book, license, and lab fees), or other expenses
18 that are directly related to training the apprentices and that
19 are preapproved by the Department. All expenses must be paid
20 to or incurred for training at the school, community college,
21 or organization where the apprentice receives training.
22 (b) For taxable years beginning on or after January 1,
23 2020, and beginning on or before January 1, 2032 ~~January 1,~~
24 ~~2027~~, the employer of one or more qualifying apprentices shall
25 be allowed a credit against the tax imposed by subsections (a)
26 and (b) of Section 201 of the Illinois Income Tax Act. The

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1 credit shall be equal to \$3,500 per qualifying apprentice. A
2 taxpayer shall be entitled to an additional \$1,500 credit

3 against the tax imposed by subsections (a) and (b) of Section
4 201 of the Illinois Income Tax Act if (i) the qualifying
5 apprentice resides in an underserved area as defined in
6 Section 5-5 of the Economic Development for a Growing Economy
7 Tax Credit Act during the school year for which a credit is
8 sought by an employer or (ii) the employer's principal place
9 of business is located in an underserved area, as defined in
10 Section 5-5 of the Economic Development for a Growing Economy
11 Tax Credit Act. In no event shall a credit under this Section
12 reduce the taxpayer's liability under this Act to less than
13 zero. For taxable years ending before December 31, 2023, for
14 partners, shareholders of Subchapter S corporations, and
15 owners of limited liability companies, if the liability
16 company is treated as a partnership for purposes of federal
17 and State income taxation, there shall be allowed a credit
18 under this Section to be determined in accordance with the
19 determination of income and distributive share of income under
20 Sections 702 and 704 and Subchapter S of the Internal Revenue
21 Code. For taxable years ending on or after December 31, 2023,
22 partners and shareholders of subchapter S corporations are
23 entitled to a credit under this Section as provided in Section
24 251.

25 (c) The Department shall implement a program to certify
26 applicants for an apprenticeship credit under this Section.

1 Upon satisfactory review, the Department shall issue a tax
2 credit certificate to an employer incurring costs on behalf of
3 a qualifying apprentice stating the amount of the tax credit
4 to which the employer is entitled. If the employer is seeking a
5 tax credit for multiple qualifying apprentices, the Department
6 may issue a single tax credit certificate that encompasses the
7 aggregate total of tax credits for qualifying apprentices for
8 a single employer.

9 (d) The Department, in addition to those powers granted
10 under the Civil Administrative Code of Illinois, is granted
11 and shall have all the powers necessary or convenient to carry
12 out and effectuate the purposes and provisions of this
13 Section, including, but not limited to, power and authority
14 to:

15 (1) Adopt rules deemed necessary and appropriate for
16 the administration of this Section; establish forms for
17 applications, notifications, contracts, or any other
18 agreements; and accept applications at any time during the
19 year and require that all applications be submitted via
20 the Internet. The Department shall require that
21 applications be submitted in electronic form.

22 (2) Provide guidance and assistance to applicants
23 pursuant to the provisions of this Section and cooperate
24 with applicants to promote, foster, and support job
25 creation within the State.

26 (3) Enter into agreements and memoranda of

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1 understanding for participation of and engage in
2 cooperation with agencies of the federal government, units
3 of local government, universities, research foundations or
4 institutions, regional economic development corporations,
5 or other organizations for the purposes of this Section.

6 (4) Gather information and conduct inquiries, in the
7 manner and by the methods it deems desirable, including,
8 without limitation, gathering information with respect to
9 applicants for the purpose of making any designations or
10 certifications necessary or desirable or to gather
11 information in furtherance of the purposes of this Act.

12 (5) Establish, negotiate, and effectuate any term,
13 agreement, or other document with any person necessary or
14 appropriate to accomplish the purposes of this Section,
15 and consent, subject to the provisions of any agreement
16 with another party, to the modification or restructuring
17 of any agreement to which the Department is a party.

18 (6) Provide for sufficient personnel to permit
19 administration, staffing, operation, and related support
20 required to adequately discharge its duties and
21 responsibilities described in this Section from funds made
22 available through charges to applicants or from funds as
23 may be appropriated by the General Assembly for the
24 administration of this Section.

25 (7) Require applicants, upon written request, to issue
26 any necessary authorization to the appropriate federal,

1 State, or local authority or any other person for the
2 release to the Department of information requested by the
3 Department, including, but not be limited to, financial
4 reports, returns, or records relating to the applicant or
5 to the amount of credit allowable under this Section.

6 (8) Require that an applicant shall, at all times,
7 keep proper books of record and account in accordance with
8 generally accepted accounting principles consistently
9 applied, with the books, records, or papers related to the
10 agreement in the custody or control of the applicant open
11 for reasonable Department inspection and audits,
12 including, without limitation, the making of copies of the
13 books, records, or papers.

14 (9) Take whatever actions are necessary or appropriate
15 to protect the State's interest in the event of
16 bankruptcy, default, foreclosure, or noncompliance with
17 the terms and conditions of financial assistance or
18 participation required under this Section or any agreement
19 entered into under this Section, including the power to
20 sell, dispose of, lease, or rent, upon terms and
21 conditions determined by the Department to be appropriate,
22 real or personal property that the Department may recover
23 as a result of these actions.

24 (e) The Department, in consultation with the Department of
25 Revenue, shall adopt rules to administer this Section. The
26 aggregate amount of the tax credits that may be claimed under

1 this Section for qualified education expenses incurred by an
2 employer on behalf of a qualifying apprentice shall be limited
3 to \$5,000,000 per calendar year. If applications for a greater
4 amount are received, credits shall be allowed on a first-come
5 first-served basis, based on the date on which each properly
6 completed application for a certificate of eligibility is

7 received by the Department. If more than one certificate is
8 received on the same day, the credits will be awarded based on
9 the time of submission for that particular day.

10 (f) An employer may not sell or otherwise transfer a
11 credit awarded under this Section to another person or
12 taxpayer.

13 (g) The employer shall provide the Department such
14 information as the Department may require, including, but not
15 limited to: (i) the name, age, and identification number of
16 each qualifying apprentice employed by the taxpayer during the
17 taxable year; (ii) the amount of qualified education expenses
18 incurred with respect to each qualifying apprentice; and (iii)
19 the name of the accredited training organization at which the
20 qualifying apprentice is enrolled and the qualified education
21 expenses are incurred.

22 (h) On or before July 1 of each year, the Department shall
23 report to the Governor and the General Assembly on the tax
24 credit certificates awarded under this Section for the prior
25 calendar year. The report must include:

26 (1) the name of each employer awarded or allocated a

1 credit;

2 (2) the number of qualifying apprentices for whom the
3 employer has incurred qualified education expenses;

4 (3) the North American Industry Classification System
5 (NAICS) code applicable to each employer awarded or
6 allocated a credit;

7 (4) the amount of the credit awarded or allocated to
8 each employer;

9 (5) the total number of employers awarded or allocated
10 a credit;

11 (6) the total number of qualifying apprentices for
12 whom employers receiving credits under this Section
13 incurred qualified education expenses; and

14 (7) the average cost to the employer of all
15 apprenticeships receiving credits under this Section.

16 (Source: P.A. 103-396, eff. 1-1-24; 103-1059, eff. 12-20-24;
17 104-6, eff. 6-16-25; 104-434, eff. 11-21-25.)

18 (35 ILCS 5/242)
19 Sec. 242. Music and Musicians Tax Credits and Jobs Act.
20 Taxpayers who have been awarded a credit under the Music and
21 Musicians Tax Credits and Jobs Act are entitled to a credit
22 against the taxes imposed by subsections (a) and (b) of
23 Section 201 of this Act in an amount determined by the
24 Department of Commerce and Economic Opportunity under that
25 Act. The credit shall be claimed for ~~in~~ the taxable year in

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1 which the tax credit award certificate is issued, and the
2 certificate shall be attached to the return. If the taxpayer
3 is a partnership or Subchapter S corporation, the credit shall
4 be allowed to the partners or shareholders in accordance with
5 the provisions of Section 251.

6 The credit may not reduce the taxpayer's liability to less
7 than zero. If the amount of the credit exceeds the tax
8 liability for the year, the excess may be carried forward and
9 applied to the tax liability of the 5 taxable years following
10 the excess credit year. The credit shall be applied to the
11 earliest year for which there is a tax liability. If there are
12 credits from more than one tax year that are available to
13 offset a liability, the earlier credit shall be applied first.
14 (Source: P.A. 103-592, Article 52, Section 52-5, eff. 6-7-24;
15 104-417, eff. 8-15-25.)

ARTICLE 830

16

17 Section 830-5. The Reimagining Energy and Vehicles in
18 Illinois Act is amended by changing Section 85 as follows:

19 (20 ILCS 686/85)

20 Sec. 85. Sunset of new agreements. The Department shall
21 not enter into any new Agreements under the provisions of this
22 Act after December 31, 2028 ~~2027~~.

23 (Source: P.A. 102-669, eff. 11-16-21.)

ARTICLE 995

1

2 Section 995-95. No acceleration or delay. Where this Act
3 makes changes in a statute that is represented in this Act by
4 text that is not yet or no longer in effect (for example, a
5 Section represented by multiple versions), the use of that
6 text does not accelerate or delay the taking effect of (i) the
7 changes made by this Act or (ii) provisions derived from any
8 other Public Act.

ARTICLE 997

9

10 Section 997-97. Severability. The provisions of this Act
11 are severable under Section 1.31 of the Statute on Statutes.

ARTICLE 999

12

13 Section 999-99. Effective date. This Act takes effect upon
14 becoming law, except that Articles 25 and 65 take effect on
15 July 1, 2026.