

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

- 1) Heading of the Part: Rental Purchase Agreement Occupation and Use Tax Act
- 2) Code Citation: 86 Ill. Adm. Code 125
- 3)

<u>Section Numbers:</u>	<u>Proposed Actions:</u>
125.100	New Section
125.105	New Section
125.110	New Section
125.115	New Section
125.120	New Section
125.125	New Section
125.130	New Section
125.135	New Section
125.140	New Section
125.145	New Section
- 4) Statutory Authority: Implementing the Rental Purchase Agreement Occupation and Use Tax Act [35 ILCS 180] and authorized by Section 40 of the Rental Purchase Agreement Occupation and Use Tax Act and Sections 2505-790 and 2505-795 of the Civil Administrative Code Illinois (Department of Revenue Law) [20 ILCS 2505].
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking creates a new Part 125, Rental Purchase Agreement Occupation and Use Tax, to implement P.A. 100-437, Rental Purchase Agreement Occupation and Use Tax Act, codified at 35 ILCS 180. The Rental Purchase Agreement Occupation Tax imposes a tax upon persons engaged in this State in the business of renting merchandise under a rental-purchase agreement in Illinois at the rate of 6.25% of the gross receipts received from the business. The Rental Purchase Agreement Use Tax imposes a tax upon the privilege of using, in this State, merchandise which is rented from a merchant at the rate of 6.25% of the rental price paid to the merchant under any rental purchase agreement.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: These rules do not create or enlarge a mandate as described in Section 3(b) of the State Mandates Act.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Alexis K. Overstreet
Deputy General Counsel
Sales and Excise Taxes
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield, Illinois 62794

(217) 782-2844
REV.GCO@illinois.gov

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not-for-profit corporations affected: Persons that rent merchandise pursuant to a rental purchase agreement for the use by an individual for personal, family, or household purposes that is for an initial period of four months or less, that is automatically renewable with each payment after the initial period, and that permits the consumer to become the owner of the merchandise, are subject to tax.
- B) Reporting, bookkeeping or other procedures required for compliance: Simple accounting and bookkeeping.
- C) Types of professional skills necessary for compliance: Simple accounting, bookkeeping, and computer skills.
- 14) Small Business Impact Analysis:

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

- A) Types of businesses subject to the proposed rule:
- 52 Finance and Insurance
- B) Categories that the agency reasonably believes the rulemaking will impact, including:
- ii. regulatory requirements;
 - iii. purchasing;
 - viii. record keeping.

15) Regulatory Agenda on which this rulemaking was summarized: July 2023

The full text of the Proposed Rulemaking begins on the next page:

Section 125.100 Nature of the Tax

- a) The Rental Purchase Agreement Occupation and Use Tax Act [35 ILCS 180] ("Act") contains two taxes.
- 1) The Rental Purchase Agreement Occupation Tax imposes a tax upon persons engaged in this State in the business of renting merchandise under a rental-purchase agreement in Illinois at the rate of 6.25% of the gross receipts received from the business. [35 ILCS 180/10]
 - 2) The Rental Purchase Agreement Use Tax imposes a tax upon the privilege of using, in this State, merchandise which is rented from a merchant at the rate of 6.25% of the rental price paid to the merchant under any rental purchase agreement. [35 ILCS 180/15]
- b) The Department has full power to administer and enforce the Rental Purchase Agreement Occupation Tax and the Rental Purchase Agreement Use Tax, to collect all taxes and penalties due thereunder, to dispose of taxes and penalties so collected in the manner provided in the Acts and this Part, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty under the Acts. [35 ILCS 180/10 and 15]

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

- c) Relation of Rental Purchase Agreement Occupation Tax to the Rental Purchase Agreement Use Tax
- 1) The Rental Purchase Agreement Occupation Tax is an occupation tax, the legal incidence of which is on the merchant rather than on the consumer. The Rental Purchase Agreement Use Tax is a use tax, the legal incidence of which is on the consumer rather than the merchant.
 - 2) The merchant becomes a tax collector under the Rental Purchase Agreement Use Tax and is required to collect that tax from consumers. In making that collection, merchants may rely on the tax collection schedules prescribed in the Department's Use Tax Regulations for the collection of the Rental Purchase Agreement Use Tax by merchants from consumers. Consequently, the tax collection schedules set out in 86 Ill. Adm. Code 150. Table A are applicable when collecting Use Tax from the consumer.

Section 125.105 Definitions

"Act" means the Rental Purchase Agreement Occupation and Use Tax Act [35 ILCS 180].

"Consumer" means an individual who leases personal property under a rental-purchase agreement.

"Department" means the Department of Revenue.

"Gross receipts" from the renting of tangible personal property or "rent" means the total rental price or leasing price. "Gross receipts" does not include receipts received by a merchant for delivery fees, reinstatement fees, processing fees, waiver fees or club program fees.

"Merchandise" means the personal property that is the subject of a rental-purchase agreement.

"Merchant" means a person who, in the ordinary course of business, regularly leases, offers to lease or arranges for the leasing of merchandise under a rental-purchase agreement, and includes a person who is assigned an interest in a rental-purchase agreement.

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

"Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, conservator or other representative appointed by order of any court.

"Rental price" means the consideration for renting merchandise valued in money, whether received in money or otherwise, including cash credits, property and services, and shall be determined without any deduction on account of the cost of the property rented, the cost of materials used, labor or service cost, or any other expense whatsoever, but does not include charges that are added by a merchant on account of the merchant's tax liability under this Act or on account of the merchant's duty to collect, from the consumer, the tax that is imposed by Section 15 of the Act. The phrase "rental price" does not include compensation paid to a merchant by a consumer in consideration of the waiver by the merchant of any right of action or claim against the consumer for loss or damage to the merchandise rented and also does not include a separately stated charge for insurance or other separately stated charges that are not for the use of tangible personal property.

"Rental purchase agreement" means an agreement for the use of merchandise by a consumer for personal, family, or household purposes for an initial period of 4 months or less that is automatically renewable with each payment after the initial period and that permits the consumer to become the owner of the merchandise.

"Renting" means any transfer of the possession or right to possession of merchandise to a user for a valuable consideration under a rental-purchase agreement. [35 ILCS 180/5]

"RPOT" means the Rental Purchase Agreement Occupation Tax [35 ILCS 180/10].

"RPUT" means Rental Purchase Agreement Use Tax [35 ILCS 180/15].

Section 125.110 Taxes Imposed

- a) Rental Purchase Agreement Occupation Tax

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

- 1) Beginning January 1, 2018, the RPOT *is imposed upon persons engaged in this State in the business of renting merchandise under a rental-purchase agreement in Illinois at the rate of 6.25% of the gross receipts received from the business.* [35 ILCS 180/10]
 - 2) In computing RPOT liability, no deductions can be made by a merchant from gross receipts or rental prices on account of the cost of property rented, the cost of materials used, labor or service costs, incoming freight or transportation costs, overhead costs, processing charges, salesmen's commissions, interest paid by the taxpayer, or any other expenses whatsoever. Costs of doing business are an element of the merchant's gross receipts and are subject to the RPOT even if separately stated on the bill to the consumer.
 - 3) *In the case of rental transactions in which the consideration is paid to the merchant on an installment basis, the amounts of such payments shall be included by the merchant in gross receipts or rent only as and when payments are received by the merchant.* [35 ILCS 180/5]
 - 4) The RPOT is solely the responsibility of the merchant.
 - 5) When trustees, receivers, executors, or administrators (whether appointed by a Federal or a State court), by virtue of their appointment, continue to operate, manage, or control a business and engage in the business of renting merchandise under lease terms of 4 months or less, they are liable for the RPOT.
- b) Rental Purchase Agreement Use Tax
- 1) The RPUT *is imposed upon the privilege of using, in this State, merchandise which is rented from a merchant. Such tax is at the rate of 6.25% of the rental price paid to the merchant under any rental purchase agreement.*
 - 2) The RPUT *must be collected from the consumer by a merchant maintaining a place of business in this State and remitted to the Department. Merchants shall collect the tax from consumers by adding the tax to the rental price of the merchandise. The RPUT*

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

shall, when collected, be stated as a distinct item separate and apart from the rental price of the merchandise.

- 3) When the RPUT is not paid to a merchant it shall be paid to the Department directly by any person using such merchandise within this State. [35 ILCS 180/15]

- c) **How To Determine Effective Rate**
RPUT liability is computed by applying to the gross receipts the tax rate in effect at the time a consumer takes possession of rented merchandise. Where a rate change takes effect during a consumer's possession, all rental receipts received from that consumer after the effective date of the rate change are subject to the new rate. If a consumer takes possession after a rate change in a rental transaction in which the merchant received rental receipts before the date of the rate change and the tax was paid on such receipts when received by the merchant at the rate in effect when the merchant received those receipts, no additional tax will be due or credit allowed because the consumer took possession after the effective date of the rate change.

Section 125.115 Nontaxable Transactions

The tax does not apply to rental receipts from the following transactions:

- a) an agreement for the use of tangible personal property which is required to be titled and registered by a State agency [35 ILCS 180/35];
- b) an agreement for the use of merchandise by an individual for personal, family, or household purposes for an initial period of more than 4 months;
- c) an agreement for the use of merchandise by an individual for personal, family, or household purposes that is not automatically renewable;
- d) an agreement for the use of merchandise by an individual for personal, family, or household purposes that does not permit the consumer to become the owner of the merchandise;
- e) an isolated or occasional agreement for the rental of merchandise; and

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

- f) transactions protected by the Commerce Clause of the United States Constitution (U.S. Const. Art. 1, Sec. 8, Cl. 3). (See Section 150.310 Exemptions to Avoid Multi-State Taxation.)

Section 125.120 Returns and Payment of Tax

- a) Each person who is required to pay the tax imposed by the RPOT Act shall make a return to the Department on or before the 20th day of each month for the preceding calendar month stating the following:
 - 1) the taxpayer's name;
 - 2) the address of the taxpayer's principal place of business and the address of the principal place of business (if that is a different address) from which the taxpayer is engaged in the business of renting merchandise subject to the RPOT;
 - 3) the total amount of receipts received by the taxpayer during the preceding calendar month from renting merchandise subject to RPOT by the taxpayer;
 - 4) the total amount received by the taxpayer during the preceding calendar month from the renting of merchandise on an installment basis subject to the RPOT by the taxpayer;
 - 5) deductions allowed by the RPOT Act;
 - 6) gross receipts that were received by the taxpayer during the preceding calendar month and upon the basis of which the RPOT is imposed;
 - 7) the amount of RPOT due;
 - 8) the signature of the taxpayer; and
 - 9) any other information as the Department may request on the application form prescribed and furnished by the Department.
- b) *Any return or document that is required to be filed under the RPOT Act shall be filed electronically, in the form and manner required by the*

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

Department. Any payment required to be made under the RPOT Act shall be paid electronically, in the form and manner required by the Department. The Department shall grant a waiver of the electronic filing or payment requirement under Section 20 of the Act for any taxpayer who petitions the Department and demonstrates undue hardship in complying with the electronic filing or payment requirement. The waiver shall be for a period not to exceed 2 years but may be renewed an unlimited number of times for periods not to exceed 2 years each. [35 ILCS 180/20]

- c) The taxpayer making the return provided for in this Section shall also pay to the Department, in accordance with this Section, the amount of tax, less a discount of 1.75%, which is allowed to reimburse the taxpayer for the expenses incurred in keeping records, collecting tax, preparing and filing returns, remitting the tax, and supplying data to the Department upon request. No discount may be claimed by a taxpayer on returns not timely filed and for taxes not timely remitted. No discount may be claimed by a taxpayer for any return that is not filed electronically. No discount may be claimed by a taxpayer for any payment that is not made electronically, unless a waiver has been granted under subsection (b).
- d) Any amount that is required to be shown or reported on any return or other document under the RPOT Act shall, if the amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount if the fractional part of a dollar is \$0.50 or more and decreased to the nearest whole-dollar amount if the fractional part of a dollar is less than \$0.50. If a total amount of less than \$1 is payable, refundable, or creditable, the amount shall be disregarded if it is less than \$0.50 and shall be increased to \$1 if it is \$0.50 or more.
- e) Any taxpayer who ceases to engage in the kind of business that makes the person responsible for filing returns under the RPOT Act shall file a final return under the RPOT Act with the Department within one month after discontinuing business.
- f) Each taxpayer under the RPOT Act shall make estimated payments to the Department on or before the 7th, 15th, 22nd, and last day of the month during which tax liability to the Department is incurred if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

with Section 2d of the Retailers' Occupation Tax Act, was \$20,000 or more during the preceding 4 complete calendar quarters, the taxpayer shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. The payments shall be in an amount not less than the lower of either 22.5% of the taxpayer's actual tax liability for the month or 25% of the taxpayer's actual tax liability for the same calendar month of the preceding year. The amount of the quarter-monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. If any quarter-monthly payment is not paid at the time or in the amount required by this subsection, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of the quarter-monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this subsection.

- g) If any payment provided for in this Section exceeds the taxpayer's liabilities under the RPOT Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by the credit memorandum may be assigned by the taxpayer to a similar taxpayer under the RPOT Act. If no such request is made, the taxpayer may credit the excess payment against tax liability subsequently to be remitted to the Department under the RPOT Act. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's discount shall be reduced, if necessary, to reflect the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on the difference.
- h) If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department is received by the taxpayer, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Section 125.125 Registration of Merchants

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

- a) It shall be unlawful for any merchant to engage in this State in the business of renting merchandise under a rental-purchase agreement in Illinois without a certificate of registration from the Department. *Every person engaged in this State in the business of renting merchandise shall apply to the Department (upon a form prescribed and furnished by the Department) for a certificate of registration under the RPOT Act. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the merchant to engage in a business that is taxable under the RPOT Act without registering separately with the Department.* [35 ILCS 180/10]
- b) Each application shall be signed and verified and shall state:
- 1) the name and social security number of the applicant;
 - 2) the address of the merchant's principal place of business;
 - 3) the address of the place of business from which the merchant engages in the business of renting merchandise in this State and the addresses of all other places of business, if any (enumerating such addresses, if any, in a separate list attached to and made a part of the application) from which the merchant engages in the business of renting merchandise in this State;
 - 4) the name and address of the person or persons who will be responsible for filing returns and payment of taxes due under the Act (see 35 ILCS 735/3-7);
 - 5) in the case of a publicly traded corporation, the name and title of the Chief Financial Officer, Chief Operating Officer, and any other officer or employee with responsibility for preparing tax returns under the Act; and, in the case of all other corporations, the name, title, and social security number of each corporate officer;
 - 6) in the case of a limited liability company, the name, social security number, and FEIN of each manager and member; and
 - 7) any other information as the Department may request on the application form prescribed and furnished by the Department.

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

- c) Upon completion, in proper form, of the application for certificate of registration, the Department shall issue to the applicant a certificate of registration that shall permit the person to whom it is issued to engage in the business of renting merchandise taxable under the Act in this State. If an applicant engages in the business of renting merchandise at another location in this State, the Department shall furnish the applicant with a sub-certificate of registration for that place of business, and the applicant shall display the appropriate sub-certificate of registration at that place of business. The sub-certificate of registration shall bear the same registration number as that appearing upon the certificate of registration to which the sub-certificate relates.
- d) A certificate of registration shall automatically be renewed, subject to revocation as provided by the RPOT Act and Section 125.130, for an additional 1 year from the date of its expiration, unless otherwise notified by the Department as provided by this Section.
- e) The Department may require an applicant for a certificate of registration to furnish a bond at the time of filing an application. No certificate of registration under the RPOT Act will be issued by the Department until the applicant provides the Department with satisfactory security, if required.
- f) *The Department may refuse to issue, reissue, or renew a certificate of registration authorized to be issued by the Department if a person who is named as the owner, a partner, a corporate officer, or, in the case of a limited liability company, a manager or member, of the applicant on the application for the certificate of registration is or has been named as the owner, a partner, a corporate officer, or, in the case of a limited liability company, a manager or member, on the application for the certificate of registration of a person that is in default for moneys due under the Act or any other tax or fee Act administered by the Department. For purposes of this Section only, in determining whether a person is in default for moneys due, the Department shall include only amounts established as a final liability within the 23 years prior to the date of the Department's notice of refusal to issue or reissue the certificate of registration, permit, or license.*
[20 ILCS 2505/2505-380(b)]
- g) When a taxpayer to whom a certificate of registration is issued under the RPOT Act is in default to the State of Illinois for delinquent returns or for moneys due under the Act or any other State tax act or municipal or

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

county ordinance administered or enforced by the Department, the Department shall, not less than 60 days before the expiration of the certificate of registration, give notice to the taxpayer to whom the certificate was issued:

- 1) of the account period of the delinquent returns;
 - 2) of the amount of tax, penalty and interest due and owing from the taxpayer; and
 - 3) that the certificate of registration shall not be automatically renewed upon its expiration date unless the taxpayer, on or before the date of expiration, has filed and paid the tax shown due on the delinquent returns or paid the defaulted amount in full.
- h) The Department may, in its discretion, approve renewal by a taxpayer who is in default if, at the time of renewal, the taxpayer files all of the delinquent returns or pays to the Department the percentage of the defaulted amount as may be determined by the Department and agrees in writing to a payment plan for paying the balance of the defaulted amount.
- i) Any person aggrieved by any decision of the Department under this Section may, within 20 days after notice of the decision, protest and request a hearing. After receipt of the request for a hearing, the Department shall give notice to the person of the time and place fixed for the hearing, shall hold a hearing, and shall issue its final administrative decision in the matter to the person. In the absence of a protest within 20 days, the Department's decision shall become final without any further determination being made or notice given.

Section 125.130 Revocation of Certificates of Registration

- a) *The Department has the power, after notice and an opportunity for a hearing, to revoke a certificate of registration issued by the Department if the holder of the certificate of registration fails to file a return, or to pay the tax, fee, penalty, or interest shown in a filed return, or to pay any final assessment of tax, fee, penalty, or interest, as required by the Act or any other tax or fee Act administered by the Department. [20 ILCS 2505/2505-380(a)]*

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

- b) The Department, after notice and hearing, shall revoke the certificate of registration (including all sub-certificates of registration, if any, issued under Section 125.125) of any merchant who violates any of the provisions of the Act or this Part. Before revocation of a certificate of registration, the Department shall, within 90 days after non-compliance and at least 7 days prior to the date of the hearing, give the merchant notice in writing of the charge against the merchant, and on the date designated shall conduct a hearing upon this matter. The lapse of the 90-day period shall not preclude the Department from conducting revocation proceedings at a later date if necessary.

Section 125.135 Books and Records

- a) Every merchant shall keep books and records of all rentals of merchandise, together with invoices, bills of lading, sales records, copies of bills of sale, monthly inventories, inventories prepared as of December 31 of each year, and other pertinent papers and documents.
- b) All books and records and other papers and documents that are required by this Section and the Act to be kept shall be kept in the English language and shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees. Records shall be maintained at the physical location of the merchant.
- c) Books and records and other papers reflecting gross receipts received during any period with respect to which the Department is authorized to issue notices of tax liability shall, for purposes of this Part, be preserved until the expiration of that period unless the Department, in writing, authorizes their destruction or disposal prior to that expiration. The Department will not issue a notice of tax liability on and after each July 1 and January 1 covering gross receipts received during any month or period of time more than 3 years prior to that July 1 and January 1, respectively.
- d) Penalties
 - 1) Any merchant who fails to keep books and records or fails to produce books and records for examination, as required by this

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

Section, is liable to pay to the Department, for deposit into the Tax Compliance and Administration Fund, a penalty of:

- A) \$1,000 for the first failure to keep books and records or produce books and records for examination; and
 - B) \$3,000 for each subsequent failure to keep books and records or produce books and records for examination.
- 2) The penalties imposed under this subsection (d) shall not apply if the taxpayer shows that the taxpayer acted with ordinary business care and prudence.
- e) Users' Records
- 1) When a user claims that the RPUT has been paid to a merchant, the user will have sufficient records to sustain this contention in case of an examination of the user's records by the Department.
 - 2) If the user is obligated to pay the RPUT directly to the Department, the user must have adequate records to show that the user has fulfilled this obligation or to support the user's claim that certain rentals for use are not subject to the RPUT.
 - 3) For example, if the user claims that the tax has paid in another state with respect to the rental or use of the same merchandise, the user must have a receipt for such tax from an authorized collector of the tax or other proof that the user has paid a billing for such tax. (See 86 Ill. Adm. Code 150.310 Exemptions to Avoid Multi-State Taxation.)

Section 125.140 Penalties and Interest

- a) All provisions of the Uniform Penalty and Interest Act [35 ILCS 735] that are not inconsistent with the Act shall apply.
- b) The penalties contained in Section 13 of the Retailers' Occupation Tax Act [35 ILCS 120] that are not inconsistent with the Act shall apply.

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

- c) The penalties contained in Section 14 of the Use Tax Act [35 ILCS 105] that are not inconsistent with the Act shall apply.

Section 125.145 Administration and Enforcement

- a) Rental Purchase Agreement Occupation Tax
 - 1) *The Department shall have full power to administer and enforce the RPOT Act, to collect all taxes and penalties due under the RPOT Act, to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty under the RPOT Act. In the administration of, and compliance with, the RPOT Act, the Department and persons who are subject to the RPOT Act shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 2, 2-10 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2a, 2b, 2c, 3 (except provisions relating to transaction returns), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth herein. [35 ILCS 180/10]*
 - 2) To avoid needless repetition, the substance and provisions of all Retailers' Occupation Tax regulations (86 Ill. Adm. Code 130) that are not incompatible with the RPOT Act apply in implementation of the RPOT Act.
- b) Rental Purchase Agreement Use Tax
 - 1) *The Department shall have full power to administer and enforce the RPUT Act; to collect all taxes, penalties and interest due under the RPUT Act; to dispose of taxes, penalties and interest so collected in the manner hereinafter provided, and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty or interest under the RPUT Act. In the administration of, and compliance with, the RPUT Act, the*

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE

Department and persons who are subject to the RPUT Act shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 2, 3, 3-10 through 3-80, 4, 6, 7, 8, 9 (except provisions relating to transaction returns), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 20, 21, and 22 of the Use Tax Act, and are not inconsistent with this Section, as fully as if those provisions were set forth herein. [35 ILCS 180/15]

- 2) To avoid needless repetition, the substance and provisions of all Use Tax regulations (86 Ill. Adm. Code 150) that are not incompatible with the RPUT Act apply in implementation of the RPUT Act.