

**Illinois Compiled Statutes**  
**Revenue**  
**Coin-Operated Amusement Device and Redemption Machine Tax Act**  
**35 ILCS 510/**

Changes adopted by the Illinois Assembly on May 31, 2003 are noted below.  
New provisions are underlined, provisions removed have a line through the text.

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**(35 ILCS 510/)**

(35 ILCS 510/1)

Sec. 1. There is imposed, on the privilege of operating every coin-in-the-slot-operated amusement device, including a device operated or operable by insertion of coins, tokens, chips or similar objects, in this State which returns to the player thereof no money or property or right to receive money or property, and on the privilege of operating in this State a redemption machine as defined in Section 28-2 of the Criminal Code of 1961, a an annual privilege tax of \$30 \$15 for each device ~~for which a license was issued~~ for a period beginning on or after August 1 of any year and prior to August February 1 of the succeeding year. ~~A privilege tax of \$8 is imposed on the privilege of operating such a device for which a license was issued for a period beginning on or after February 1 of any year and ending July 31 of that year.~~

(Source: P.A. 86-905; 86-957; 87-855.)

(35 ILCS 510/2)

Sec. 2. (a) Any person, firm, limited liability company, or corporation which displays any device described in Section 1, to be played or operated by the public at any place owned or leased by any such person, firm, limited liability company, or corporation, shall ~~Before he displays such device, file in the Office of the Department of Revenue a form containing information regarding an application for a license for~~ such device properly sworn to, setting forth his name and address, with a brief description of the device to be displayed and the premises where such device will be located, together with such other relevant data as the Department of Revenue may require. Such form application for a license shall be accompanied by the required privilege license tax for each device. Such privilege license tax shall be paid to the Department of Revenue of the State of Illinois and all monies received by the Department of Revenue under this Act shall be paid into the General Revenue Fund in the State Treasury. The Department of Revenue shall supply and deliver to the person, firm, limited liability company, or corporation which displays any device described in Section 1, charges prepaid and without additional cost, one privilege tax decal license tag for each such device on which the tax has been paid an application is made, stating the year for which issued. Such privilege tax decal license tag shall thereupon be securely affixed to such device.

(b) If an amount of tax, penalty, or interest has been paid in error to the Department, the taxpayer may file a claim for credit or refund with the Department. If it is determined that the Department must issue a credit or refund under this Act, the Department may first Apply the amount of the credit or refund due against any amount of tax, penalty, or interest due under this Act from the taxpayer entitled to the credit or refund. If proceedings are pending to determine if any tax, penalty, or interest is due under this Act from the taxpayer,

the Department may withhold issuance of the credit or refund pending the final disposition of those proceedings and may apply that credit or refund against any amount determined to be due to the Department as a result of those proceedings. The balance, if any, of the credit or refund shall be paid to the taxpayer.

If no tax, penalty, or interest is due and no proceedings are pending to determine whether the taxpayer is indebted to the Department for tax, penalty, or interest, the credit memorandum or refund shall be issued to the taxpayer; or, the credit memorandum may be assigned by the taxpayer, subject to reasonable rules of the Department, to any other Person who is subject to this Act, and the amount of the credit memorandum by the Department against any tax, penalty, or interest due or to become due under this Act from the assignee.

For any claim for credit or refund filed with the Department on or after each July 1, no amount erroneously paid more than 3 years before that July 1, shall be credited or refunded.

A claim for credit or refund shall be filed on a form provided by the Department. As soon as practicable after any claim for credit or refund is filed, the Department shall determine the amount of credit or refund to which the claimant is entitled and shall notify the claimant of that determination.

A claim for credit or refund shall be filed with the Department on the date it is received by the Department. Upon receipt of any claim for credit or refund filed under this Section, an officer or employee of the Department, authorized by the Director of Revenue to acknowledge receipt of such claims on behalf of the Department, shall deliver or mail to the claimant or his duly authorized agent, a written receipt, acknowledging that the claim has been filed with the Department, describing the claim in sufficient detail to identify it, and stating the date on which the claim was received by the Department. The written receipt shall be prima facie evidence that the Department received the claim described in the receipt and shall be prima facie evidence of the date when the Department received such claim. In the absence of a written receipt, the records of the Department as to whether a claim was received, or when the claim was received by the Department, shall be deemed to be prima facie correct in the event of any dispute between the claimant, or his legal representative, and the Department on these issues.

Any credit or refund that is allowed under this Article shall bear interest at the rate and in the manner specified in the Uniform Penalty and Interest Act.

If the Department determines that the claimant is entitled to a refund, the refund shall be made only from an appropriation to the Department for that purpose. If the amount appropriated is insufficient to pay claimants electing to receive a cash refund, the Department by rule or regulation shall first provide for the payment of refunds in Hardship cases as defined by the Department.

(Source: P.A. 88-194; 88-480; 88-670, f. 12-2-94.)

(35 ILCS 510/2a)

Sec. 2a. Sunset of exemptions, credits, and deductions. The application of every exemption, credit, and deduction against tax imposed by this Act that becomes law after the effective date of this amendatory Act of 1994 shall be limited by a reasonable and appropriate sunset date. A taxpayer is not entitled to take the exemption, credit, or deduction beginning on the sunset date and thereafter. If a reasonable and appropriate sunset date is not specified in the Public Act that creates the exemption, credit, or deduction, a taxpayer shall not be entitled to take the exemption, credit, or deduction beginning 5 years after the effective date of the Public Act creating the exemption, credit, or deduction and thereafter.

(Source: P.A. 88-660, f. 9-16-94.)

(35 ILCS 510/3)

Sec. 3. (1) All privilege tax decal ~~licenses~~ herein provided for shall be transferable from one device to another device. Any such transfer from one device to another shall be reported to the Department of Revenue on forms prescribed by such Department. All privilege tax decal ~~licenses~~ issued hereunder shall expire on July 31 following issuance.

(2) (Blank).

(Source: P.A. 91-357, off. 7-29-99.)

(35 ILCS 510/4)

Sec. 4. The Department of Revenue hereby is authorized to make, promulgate and enforce reasonable rules and regulations relating to the administration and enforcement of this Act.

(Source: Laws 1953, p. 956.)

(35 ILCS 510/4a)

Sec. 4a. The Illinois Administrative Procedure Act is hereby expressly adopted and shall apply to all administrative rules and procedures of the Department of Revenue under this Act, except that (1) paragraph (b) of Section 5-10 of the Illinois Administrative Procedure Act does not apply to final orders, decisions and opinions of the Department, (2) subparagraph (a) 2 of Section 5-10 of the Illinois Administrative Procedure Act does not apply to forms established by the Department for use under this Act, and (3) the provisions of Section 10-45 of the Illinois Administrative Procedure Act regarding proposals for decision are excluded and not applicable to the Department under This Act.

(Source: P.A. 88-45.)

(35 ILCS 510/4b)

Sec. 4b. The Department of Revenue is hereby authorized to implement a program whereby the privilege tax decal ~~licenses~~ required by and the taxes imposed by this Act may be distributed and collected on behalf of the Department by State or national banks and by State or federal savings and loan associations. The Department shall promulgate such rules and regulations as are reasonable and necessary to establish the system of collection of taxes and distribution of privilege tax decal ~~licenses~~ authorized by this Section. Such rules and regulations shall provide for the licensing of such financial institutions, specification of information to be disclosed in an application therefore and the imposition of a license fee not in excess of \$100 annually.

(Source: P.A. 85-1423.)

(35 ILCS 510/5)

Sec. 5. On every device found to have been displayed without the tax imposed by this Act having been paid, the tax otherwise payable shall be increased by 30% as a penalty.

(Source: P.A. 83-1428.)

(35 ILCS 510/6)

Sec. 6. The Department of Revenue is hereby empowered and authorized in the name of the People of the State of Illinois in a suit or suits in any court of competent jurisdiction to enforce the collection of any unpaid ~~license~~ tax, fines or penalties provided for in this Act.

(Source: Laws 1953, p. 956.)

(35 ILCS 510/7)

Sec. 7. The right to tax the games or devices described in this Act is not exclusive with the State of Illinois, but municipalities of the State of Illinois shall have the right to impose taxes or license fees thereon and to regulate or control the operation of the same within such Municipalities as provided in Section 11-55-1 of the Illinois Municipal Code and counties of the State of Illinois shall have the right to impose taxes or license fees thereon in unincorporated territory and to regulate or control the operation of the same within such territory as provided in Section 5-1076 of the Counties Code.

(Source: P.A. 86-1475.)

(35 ILCS 510/8)

Sec. 8. Any person operating or displaying any device described in this Act in such manner that it could be played by the public without the tax imposed by this Act having first been paid shall be guilty of a Class C misdemeanor. The use or operation for other than amusement purposes of any device taxed as in this Act provided shall be a Class C Misdemeanor.

(Source: P.A. 83-1428.)

(35 ILCS 510/9) *Section Repealed 5/31/03*

~~—Sec. 9. The Department of Revenue is hereby authorized to revoke any license issued by it if after notice and hearing it finds that there has been a violation of this Act. No license shall be revoked except after hearing by the Department of Revenue thereon. The Department of Revenue may fix the time and place of such hearing but shall give at least seven (7) days notice of the time and place of such hearing to the person, firm or corporation displaying the device on which the license is sought to be revoked. The order revoking such license shall not be effective until after such hearing has been held.~~

(Source: Laws 1953, p. 956.)

(35 ILCS 510/10)

Sec. 10. All final administrative decisions of the Department of Revenue under any of the provisions of this Act shall be subject to judicial review pursuant to the provisions of the Administrative Review Law, and any amendment and modifications thereof, and the rules adopted relative thereto.

(Source: P.A. 82-783.)

(35 ILCS 510/11)

Sec. 11. This Act shall not apply to coin-in-the-slot-operated devices maintained by any public utility for furnishing service of any public utility, nor to any device which is designed and used strictly as a vendor of merchandise or service and which is not an amusement device.

(Source: Laws 1963, p. 1549.)

(35 ILCS 510/12)

Sec. 12. If a court of competent jurisdiction shall adjudge to be invalid or unconstitutional any clause, sentence, paragraph or part of this Act, such judgment shall not affect, impair, invalidate or nullify the remainder of this Act, but the effect thereof shall be confined to the clause, sentence, paragraph or part of this Act so adjudged to be invalid or unconstitutional.

(Source: P.A. 84-1308.)

(35 ILCS 510/13)

Sec. 13. Any duly authorized employee of the Department may, without a search warrant, seize any coin-in-the-slot-operated amusement device, which is being displayed in his

presence in a manner that violates any provision of this Act. Such amusement device so seized shall be subject to confiscation and forfeiture as hereinafter provided.  
(Source: Laws 1963, p. 1549.)

(35 ILCS 510/14)

Sec. 14. After seizing any coin-in-the-slot-operated amusement device, as provided in Section 13 of this Act, the Department shall hold a hearing in the county where such amusement device was seized and shall determine whether such amusement device was being displayed in a manner which violates any provision of this Act.

The Department shall give not less than 7 days' notice of the time and place of such hearing to the owner of such amusement device if he is known, and also to the person in whose possession the amusement device so taken was found, if such person is known and if such person in possession is not the owner of said amusement device.

In case neither the owner nor the person in possession of such amusement device is known, the Department shall cause publication of the time and place of such hearing to be made at least once in each week for 3 weeks successively in a newspaper of general circulation in the county where such hearing is to be held.

If, as the result of such hearing, the Department shall determine that the amusement device seized was, at the time of seizure, being displayed in a manner, which violates this Act, the Department shall enter an order declaring such amusement device confiscated and forfeited to the State, and to be sold by the Department in the manner provided

For hereinafter in this Section. The Department shall give notice of such order to the owner of such amusement device if he is known, and also to the person in whose possession the amusement device so taken was found, if such person is known and if such person in possession is not the owner of such amusement device. In case neither the owner nor the Person in possession of such amusement device is known, the Department shall cause publication of such order to be made at least once in each week for 3 weeks successively in a newspaper of general circulation in the county where such hearing was held.

The person from whom such amusement device has been seized (or the owner of such device if that is a different person) may redeem and reclaim such device by paying, to the Department, within 30 days after the Department's order of confiscation and forfeiture becomes final, an amount equal to twice the annual tax applicable to such amusement Device, plus a penalty of 10%.

When the Department shall have declared any amusement device forfeited to the State, as provided in this Section, and when all proceedings for the judicial review of the Department's decision have terminated, the Department shall (if such amusement device is not redeemed and reclaimed within the time and in the manner provided for in

This Section), to the extent that its decision is sustained on review, sell such amusement device for the best price obtainable and shall forthwith pay over the proceeds of such sale to the State Treasurer; provided, however, that if the value of the property to be sold at any One time shall be \$500.00 or more, such property shall be sold only to the highest and best bidder on such terms and conditions and on open competitive bidding after public advertisement, in such manner and for such terms as the Department, by rule, may prescribe.

If no complaint for review, as provided in Section 10 of this Act, has been filed within the time required by the Administrative Review Law, and if such amusement device is not redeemed and reclaimed within the time and in the manner provided for in this Section, the Department shall proceed to sell said property for the best price obtainable and shall forthwith pay over the proceeds of such sale to the State Treasurer; provided, however, that if the value of the property to be sold at any one time shall be \$500.00 or more, such property shall be sold only to the highest and best bidder on such terms and conditions

And on open competitive bidding after public advertisement, in such manner and for such terms as the Department, by rule, may prescribe.  
(Source: P.A. 82-783.)

(35 ILCS 510/15)

Sec. 15. Whenever any peace officer of the State or any duly authorized officer or employee of the Department shall have reason to believe that any violation of this Act has occurred and that the person so violating the Act has in his, her or its possession any amusement device which is being displayed in a manner which violates this Act, he May file or cause to be filed his complaint in writing, verified by affidavit, with any court within whose jurisdiction the premises to be searched are situated, stating the facts upon which such belief is founded, the premises to be searched, and the property to be seized, and Procure a search warrant and execute the same.

Upon the execution of such search warrant, the peace officer, or officer or employee of the Department, executing such search warrant shall make due return thereof to the court issuing the same, together with an inventory of the property taken thereunder. The court shall thereupon issue process against the owner of such property if he is known; otherwise, such process shall be issued against the person in whose possession the property so taken is found, if such person is known.

In case of inability to serve such process upon the owner or the person in possession of the property at the time of its seizure, as hereinbefore provided, notice of the proceedings before the court shall be given as required by the statutes of the State governing cases of Attachment.

Upon the return of the process duly served or upon the posting or publishing of notice made, as hereinabove provided, the court or jury, if a jury shall be demanded, shall proceed to determine whether or not such property so seized was displayed in violation of this Act. In case of a finding that the amusement device seized was, at the time of seizure, being displayed in violation of this Act, judgment shall be entered confiscating and forfeiting the property to the State and ordering its delivery to the Department, and in addition thereto, the court shall have power to tax and assess the costs of the proceedings.

The person from whom such amusement device has been seized (or the owner of such device if that is a different person) may redeem and reclaim such device by paying, to the Department, within 30 days after the order of confiscation and forfeiture becomes final, an amount equal to twice the annual tax applicable to such amusement device, plus a Penalty of 10%.

When any amusement device shall have been declared forfeited to the State by any court, and when such confiscated and forfeited amusement device shall have been delivered to the Department, and if such device is not redeemed and reclaimed within the time and in the manner provided for in this Section, the Department shall sell such amusement device for The best price obtainable and shall forthwith pay over the proceeds of such sale to the State Treasurer; provided, however, that if the value of the property to be sold at any one time shall be \$500.00 or more, such property shall be sold only to the highest and best bidder on such terms and conditions and on open competitive bidding after public Advertisement, in such manner and for such terms as the Department, by rule, may prescribe.  
(Source: Laws 1965, p. 3716.)

(35 ILCS 510/16)

Sec. 16. This Act may be cited as the Coin-Operated Amusement Device and Redemption Machine Tax Act.  
(Source: P.A. 87-855.)