



Sen. Ram Villivalam

Filed: 5/23/2019

10100HB3233sam002

LRB101 11081 HLH 60996 a

1 AMENDMENT TO HOUSE BILL 3233

2 AMENDMENT NO. _____. Amend House Bill 3233 on page 2,
3 immediately below line 9, by inserting the following:

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

6 (35 ILCS 105/3-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this
8 Section, the tax imposed by this Act is at the rate of 6.25% of
9 either the selling price or the fair market value, if any, of
10 the tangible personal property. In all cases where property
11 functionally used or consumed is the same as the property that
12 was purchased at retail, then the tax is imposed on the selling
13 price of the property. In all cases where property functionally
14 used or consumed is a by-product or waste product that has been
15 refined, manufactured, or produced from property purchased at
16 retail, then the tax is imposed on the lower of the fair market

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

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

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

19 With respect to gasohol, the tax imposed by this Act
20 applies to (i) 70% of the proceeds of sales made on or after
21 January 1, 1990, and before July 1, 2003, (ii) 80% of the
22 proceeds of sales made on or after July 1, 2003 and on or
23 before July 1, 2017, ~~and~~ (iii) 100% of the proceeds of sales
24 made after July 1, 2017 and prior to July 1, 2019, (iv) 80% of
25 the proceeds of sales made on or after July 1, 2019 and prior
26 to January 1, 2023, and (v) 100% of the proceeds of sales made

1 on or after January 1, 2023 ~~thereafter~~. If, at any time,
2 however, the tax under this Act on sales of gasohol is imposed
3 at the rate of 1.25%, then the tax imposed by this Act applies
4 to 100% of the proceeds of sales of gasohol made during that
5 time.

6 With respect to majority blended ethanol fuel, the tax
7 imposed by this Act does not apply to the proceeds of sales
8 made on or after July 1, 2003 and on or before December 31,
9 2023 but applies to 100% of the proceeds of sales made
10 thereafter.

11 With respect to biodiesel blends with no less than 1% and
12 no more than 10% biodiesel, the tax imposed by this Act applies
13 to (i) 80% of the proceeds of sales made on or after July 1,
14 2003 and on or before December 31, 2018 and (ii) 100% of the
15 proceeds of sales made thereafter. If, at any time, however,
16 the tax under this Act on sales of biodiesel blends with no
17 less than 1% and no more than 10% biodiesel is imposed at the
18 rate of 1.25%, then the tax imposed by this Act applies to 100%
19 of the proceeds of sales of biodiesel blends with no less than
20 1% and no more than 10% biodiesel made during that time.

21 With respect to 100% biodiesel and biodiesel blends with
22 more than 10% but no more than 99% biodiesel, the tax imposed
23 by this Act does not apply to the proceeds of sales made on or
24 after July 1, 2003 and on or before December 31, 2023 but
25 applies to 100% of the proceeds of sales made thereafter.

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

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

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "soft drinks" means non-alcoholic
26 beverages that contain natural or artificial sweeteners. "Soft

1 drinks" do not include beverages that contain milk or milk
2 products, soy, rice or similar milk substitutes, or greater
3 than 50% of vegetable or fruit juice by volume.

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

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

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "nonprescription medicines and

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

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

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

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

21 If the property that is purchased at retail from a retailer
22 is acquired outside Illinois and used outside Illinois before
23 being brought to Illinois for use here and is taxable under
24 this Act, the "selling price" on which the tax is computed
25 shall be reduced by an amount that represents a reasonable
26 allowance for depreciation for the period of prior out-of-state

1 use.

2 (Source: P.A. 99-143, eff. 7-27-15; 99-858, eff. 8-19-16;
3 100-22, eff. 7-6-17.)

4 Section 15. The Service Use Tax Act is amended by changing
5 Section 3-10 as follows:

6 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this
8 Section, the tax imposed by this Act is at the rate of 6.25% of
9 the selling price of tangible personal property transferred as
10 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, ~~and~~ (iii) 100% of the selling price of property
24 transferred as an incident to the sale of service after July 1,

1 2017 and prior to July 1, 2019, (iv) 80% of the selling price
2 of property transferred as an incident to the sale of service
3 on and after July 1, 2019 and prior to January 1, 2023, and (v)
4 100% of the selling price on and after January 1, 2023
5 ~~thereafter~~. If, at any time, however, the tax under this Act on
6 sales of gasohol, as defined in the Use Tax Act, is imposed at
7 the rate of 1.25%, then the tax imposed by this Act applies to
8 100% of the proceeds of sales of gasohol made during that time.

9 With respect to majority blended ethanol fuel, as defined
10 in the Use Tax Act, the tax imposed by this Act does not apply
11 to the selling price of property transferred as an incident to
12 the sale of service on or after July 1, 2003 and on or before
13 December 31, 2023 but applies to 100% of the selling price
14 thereafter.

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

1 With respect to 100% biodiesel, as defined in the Use Tax
2 Act, and biodiesel blends, as defined in the Use Tax Act, with
3 more than 10% but no more than 99% biodiesel, the tax imposed
4 by this Act does not apply to the proceeds of the selling price
5 of property transferred as an incident to the sale of service
6 on or after July 1, 2003 and on or before December 31, 2023 but
7 applies to 100% of the selling price thereafter.

8 At the election of any registered serviceman made for each
9 fiscal year, sales of service in which the aggregate annual
10 cost price of tangible personal property transferred as an
11 incident to the sales of service is less than 35%, or 75% in
12 the case of servicemen transferring prescription drugs or
13 servicemen engaged in graphic arts production, of the aggregate
14 annual total gross receipts from all sales of service, the tax
15 imposed by this Act shall be based on the serviceman's cost
16 price of the tangible personal property transferred as an
17 incident to the sale of those services.

18 The tax shall be imposed at the rate of 1% on food prepared
19 for 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 ID/DD Community Care Act, the MC/DD
23 Act, the Specialized Mental Health Rehabilitation Act of 2013,
24 or the Child Care Act of 1969. The tax shall also be imposed at
25 the rate of 1% on food for human consumption that is to be
26 consumed off the premises where it is sold (other than

1 alcoholic beverages, soft drinks, and food that has been
2 prepared for immediate consumption and is not otherwise
3 included in this paragraph) and prescription and
4 nonprescription medicines, drugs, medical appliances, products
5 classified as Class III medical devices by the United States
6 Food and Drug Administration that are used for cancer treatment
7 pursuant to a prescription, as well as any accessories and
8 components related to those devices, modifications to a motor
9 vehicle for the purpose of rendering it usable by a person with
10 a disability, and insulin, urine testing materials, syringes,
11 and needles used by diabetics, for human use. For the purposes
12 of this Section, until September 1, 2009: the term "soft
13 drinks" means any complete, finished, ready-to-use,
14 non-alcoholic drink, whether carbonated or not, including but
15 not limited to soda water, cola, fruit juice, vegetable juice,
16 carbonated water, and all other preparations commonly known as
17 soft drinks of whatever kind or description that are contained
18 in any closed or sealed bottle, can, carton, or container,
19 regardless of size; but "soft drinks" does not include coffee,
20 tea, non-carbonated water, infant formula, milk or milk
21 products as defined in the Grade A Pasteurized Milk and Milk
22 Products Act, or drinks containing 50% or more natural fruit or
23 vegetable juice.

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "soft drinks" means non-alcoholic
26 beverages that contain natural or artificial sweeteners. "Soft

1 drinks" do not include beverages that contain milk or milk
2 products, soy, rice or similar milk substitutes, or greater
3 than 50% of vegetable or fruit juice by volume.

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

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

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "nonprescription medicines and

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

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

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

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

21 If the property that is acquired from a serviceman is
22 acquired outside Illinois and used outside Illinois before
23 being brought to Illinois for use here and is taxable under
24 this Act, the "selling price" on which the tax is computed
25 shall be reduced by an amount that represents a reasonable
26 allowance for depreciation for the period of prior out-of-state

1 use.

2 (Source: P.A. 99-143, eff. 7-27-15; 99-180, eff. 7-29-15;
3 99-642, eff. 7-28-16; 99-858, eff. 8-19-16; 100-22, eff.
4 7-6-17.)

5 Section 20. The Service Occupation Tax Act is amended by
6 changing Section 3-10 as follows:

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

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

1 completion of the contract.

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

6 With respect to gasohol, as defined in the Use Tax Act, the
7 tax imposed by this Act shall apply to (i) 70% of the cost
8 price of property transferred as an incident to the sale of
9 service on or after January 1, 1990, and before July 1, 2003,
10 (ii) 80% of the selling price of property transferred as an
11 incident to the sale of service on or after July 1, 2003 and on
12 or before July 1, 2017, ~~and~~ (iii) 100% of the cost price after
13 July 1, 2017 and prior to July 1, 2019, (iv) 80% of the cost
14 price of property transferred as an incident to the sale of
15 service on and after July 1, 2019 and prior to January 1, 2023,
16 and (v) 100% of the cost price of property transferred as an
17 incident to the sale of service on and after January 1, 2023
18 ~~thereafter~~. If, at any time, however, the tax under this Act on
19 sales of gasohol, as defined in the Use Tax Act, is imposed at
20 the rate of 1.25%, then the tax imposed by this Act applies to
21 100% of the proceeds of sales of gasohol made during that time.

22 With respect to majority blended ethanol fuel, as defined
23 in the Use Tax Act, the tax imposed by this Act does not apply
24 to the selling price of property transferred as an incident to
25 the sale of service on or after July 1, 2003 and on or before
26 December 31, 2023 but applies to 100% of the selling price

1 thereafter.

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

14 With respect to 100% biodiesel, as defined in the Use Tax
15 Act, and biodiesel blends, as defined in the Use Tax Act, with
16 more than 10% but no more than 99% biodiesel material, the tax
17 imposed by this Act does not apply to the proceeds of the
18 selling price of property transferred as an incident to the
19 sale of service on or after July 1, 2003 and on or before
20 December 31, 2023 but applies to 100% of the selling price
21 thereafter.

22 At the election of any registered serviceman made for each
23 fiscal year, sales of service in which the aggregate annual
24 cost price of tangible personal property transferred as an
25 incident to the sales of service is less than 35%, or 75% in
26 the case of servicemen transferring prescription drugs or

1 servicemen engaged in graphic arts production, of the aggregate
2 annual total gross receipts from all sales of service, the tax
3 imposed by this Act shall be based on the serviceman's cost
4 price of the tangible personal property transferred incident to
5 the sale of those services.

6 The tax shall be imposed at the rate of 1% on food prepared
7 for immediate consumption and transferred incident to a sale of
8 service subject to this Act or the Service Occupation Tax Act
9 by an entity licensed under the Hospital Licensing Act, the
10 Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD
11 Act, the Specialized Mental Health Rehabilitation Act of 2013,
12 or the Child Care Act of 1969. The tax shall also be imposed at
13 the rate of 1% on food for human consumption that is to be
14 consumed off the premises where it is sold (other than
15 alcoholic beverages, soft drinks, and food that has been
16 prepared for immediate consumption and is not otherwise
17 included in this paragraph) and prescription and
18 nonprescription medicines, drugs, medical appliances, products
19 classified as Class III medical devices by the United States
20 Food and Drug Administration that are used for cancer treatment
21 pursuant to a prescription, as well as any accessories and
22 components related to those devices, modifications to a motor
23 vehicle for the purpose of rendering it usable by a person with
24 a disability, and insulin, urine testing materials, syringes,
25 and needles used by diabetics, for human use. For the purposes
26 of this Section, until September 1, 2009: the term "soft

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

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

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

1 through a vending machine, except soft drinks, candy, and food
2 products that are dispensed hot from a vending machine,
3 regardless of the location of the vending machine.

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

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

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

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

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

9 (Source: P.A. 99-143, eff. 7-27-15; 99-180, eff. 7-29-15;
10 99-642, eff. 7-28-16; 99-858, eff. 8-19-16; 100-22, eff.
11 7-6-17.)

12 Section 25. The Retailers' Occupation Tax Act is amended by
13 changing Section 2-10 as follows:

14 (35 ILCS 120/2-10)

15 Sec. 2-10. Rate of tax. Unless otherwise provided in this
16 Section, the tax imposed by this Act is at the rate of 6.25% of
17 gross receipts from sales 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, with
24 respect to sales tax holiday items as defined in Section 2-8 of

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

2 Within 14 days after the effective date of this amendatory
3 Act of the 91st General Assembly, each retailer of motor fuel
4 and gasohol shall cause the following notice to be posted in a
5 prominently visible place on each retail dispensing device that
6 is used to dispense motor fuel or gasohol in the State of
7 Illinois: "As of July 1, 2000, the State of Illinois has
8 eliminated the State's share of sales tax on motor fuel and
9 gasohol through December 31, 2000. The price on this pump
10 should reflect the elimination of the tax." The notice shall be
11 printed in bold print on a sign that is no smaller than 4
12 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, 2000 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 With respect to gasohol, as defined in the Use Tax Act, the
18 tax imposed by this Act applies to (i) 70% of the proceeds of
19 sales made on or after January 1, 1990, and before July 1,
20 2003, (ii) 80% of the proceeds of sales made on or after July
21 1, 2003 and on or before July 1, 2017, ~~and~~ (iii) 100% of the
22 proceeds of sales made after July 1, 2017 and prior to July 1,
23 2019, (iv) 80% of the proceeds of sales made on or after July
24 1, 2019 and prior to January 1, 2023, and (v) 100% of the
25 proceeds of sales made on or after January 1, 2023 ~~thereafter~~.
26 If, at any time, however, the tax under this Act on sales of

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

4 With respect to majority blended ethanol fuel, as defined
5 in the Use Tax Act, the tax imposed by this Act does not apply
6 to the proceeds of sales made on or after July 1, 2003 and on or
7 before December 31, 2023 but applies to 100% of the proceeds of
8 sales made thereafter.

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

20 With respect to 100% biodiesel, as defined in the Use Tax
21 Act, and biodiesel blends, as defined in the Use Tax Act, with
22 more than 10% but no more than 99% biodiesel, the tax imposed
23 by this Act does not apply to the proceeds of sales made on or
24 after July 1, 2003 and on or before December 31, 2023 but
25 applies to 100% of the proceeds of sales made thereafter.

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

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

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "soft drinks" means non-alcoholic
26 beverages that contain natural or artificial sweeteners. "Soft

1 drinks" do not include beverages that contain milk or milk
2 products, soy, rice or similar milk substitutes, or greater
3 than 50% of vegetable or fruit juice by volume.

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

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

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "nonprescription medicines and

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

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

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

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

21 (Source: P.A. 99-143, eff. 7-27-15; 99-858, eff. 8-19-16;
22 100-22, eff. 7-6-17.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law."