



Rep. Michael J. Zalewski

Filed: 3/24/2017

10000HB2801ham001

LRB100 09030 HLH 24320 a

1 AMENDMENT TO HOUSE BILL 2801

2 AMENDMENT NO. _____. Amend House Bill 2801 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Use Tax Act is amended by changing Section
5 3-10 and by adding Section 3-44.10 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 December 31, 2018, and (iii) 100% of the proceeds of
24 sales made thereafter. If, at any time, however, the tax under
25 this Act on sales of gasohol is imposed at the rate of 1.25%,
26 then the tax imposed by this Act applies to 100% of the

1 proceeds of sales of gasohol made during that time.

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

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

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

22 With respect to liquefied natural gas, as defined in
23 Section 3-44.10 of this Act, the tax imposed by this Act
24 applies to (i) 70% of the selling price of that liquefied
25 natural gas for sales made on or after January 1, 2018 and on
26 or before December 31, 2023 and (ii) 100% of the selling price

1 of that liquefied natural gas thereafter.

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

26 Notwithstanding any other provisions of this Act,

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

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

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

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

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

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

23 If the property that is purchased at retail from a retailer
24 is acquired outside Illinois and used outside Illinois before
25 being brought to Illinois for use here and is taxable under
26 this Act, the "selling price" on which the tax is computed

1 shall be reduced by an amount that represents a reasonable
2 allowance for depreciation for the period of prior out-of-state
3 use.

4 (Source: P.A. 98-122, eff. 1-1-14; 99-143, eff. 7-27-15;
5 99-858, eff. 8-19-16.)

6 (35 ILCS 105/3-44.10 new)

7 Sec. 3-44.10. Liquefied natural gas. "Liquefied natural
8 gas" means a motor fuel derived from methane or natural gas in
9 the form of a cryogenic or refrigerated liquid.

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

12 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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 of tangible personal property transferred as
16 an incident to the sale of service, but, for the purpose of
17 computing this tax, in no event shall the selling price be less
18 than the cost price of the property to the serviceman.

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 With respect to gasohol, as defined in the Use Tax Act, the

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

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

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

1 the proceeds of sales of biodiesel blends with no less than 1%
2 and no more than 10% biodiesel made during that time.

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

10 With respect to liquefied natural gas, as defined in
11 Section 3-44.10 of the Use Tax Act, the tax imposed by this Act
12 applies to (i) 70% of the selling price of that liquefied
13 natural gas for sales made on or after January 1, 2018 and on
14 or before December 31, 2023 and (ii) 100% of the selling price
15 of that liquefied natural gas thereafter.

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

26 The tax shall be imposed at the rate of 1% on food prepared

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

1 regardless of size; but "soft drinks" does not include coffee,
2 tea, non-carbonated water, infant formula, milk or milk
3 products as defined in the Grade A Pasteurized Milk and Milk
4 Products Act, or drinks containing 50% or more natural fruit or
5 vegetable juice.

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

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

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "food for human consumption that
26 is to be consumed off the premises where it is sold" does not

1 include candy. For purposes of this Section, "candy" means a
2 preparation of sugar, honey, or other natural or artificial
3 sweeteners in combination with chocolate, fruits, nuts or other
4 ingredients or flavorings in the form of bars, drops, or
5 pieces. "Candy" does not include any preparation that contains
6 flour or requires refrigeration.

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

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

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

24 Beginning on January 1, 2014 (the effective date of Public
25 Act 98-122), "prescription and nonprescription medicines and
26 drugs" includes medical cannabis purchased from a registered

1 dispensing organization under the Compassionate Use of Medical
2 Cannabis Pilot Program Act.

3 If the property that is acquired from a serviceman is
4 acquired outside Illinois and used outside Illinois before
5 being brought to Illinois for use here and is taxable under
6 this Act, the "selling price" on which the tax is computed
7 shall be reduced by an amount that represents a reasonable
8 allowance for depreciation for the period of prior out-of-state
9 use.

10 (Source: P.A. 98-104, eff. 7-22-13; 98-122, eff. 1-1-14;
11 98-756, eff. 7-16-14; 99-143, eff. 7-27-15; 99-180, eff.
12 7-29-15; 99-642, eff. 7-28-16; 99-858, eff. 8-19-16.)

13 Section 15. The Service Occupation Tax Act is amended by
14 changing Section 3-10 as follows:

15 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

16 Sec. 3-10. Rate of tax. Unless otherwise provided in this
17 Section, the tax imposed by this Act is at the rate of 6.25% of
18 the "selling price", as defined in Section 2 of the Service Use
19 Tax Act, of the tangible personal property. For the purpose of
20 computing this tax, in no event shall the "selling price" be
21 less than the cost price to the serviceman of the tangible
22 personal property transferred. The selling price of each item
23 of tangible personal property transferred as an incident of a
24 sale of service may be shown as a distinct and separate item on

1 the serviceman's billing to the service customer. If the
2 selling price is not so shown, the selling price of the
3 tangible personal property is deemed to be 50% of the
4 serviceman's entire billing to the service customer. When,
5 however, a serviceman contracts to design, develop, and produce
6 special order machinery or equipment, the tax imposed by this
7 Act shall be based on the serviceman's cost price of the
8 tangible personal property transferred incident to the
9 completion of the contract.

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

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

25 With respect to majority blended ethanol fuel, as defined
26 in the Use Tax Act, the tax imposed by this Act does not apply

1 to the selling price of property transferred as an incident to
2 the sale of service on or after July 1, 2003 and on or before
3 December 31, 2018 but applies to 100% of the selling price
4 thereafter.

5 With respect to biodiesel blends, as defined in the Use Tax
6 Act, with no less than 1% and no more than 10% biodiesel, the
7 tax imposed by this Act applies to (i) 80% of the selling price
8 of property transferred as an incident to the sale of service
9 on or after July 1, 2003 and on or before December 31, 2018 and
10 (ii) 100% of the proceeds of the selling price thereafter. 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 100% biodiesel, as defined in the Use Tax
18 Act, and biodiesel blends, as defined in the Use Tax Act, with
19 more than 10% but no more than 99% biodiesel material, the tax
20 imposed by this Act does not apply to the proceeds of the
21 selling price of property transferred as an incident to the
22 sale of service on or after July 1, 2003 and on or before
23 December 31, 2018 but applies to 100% of the selling price
24 thereafter.

25 With respect to liquefied natural gas, as defined in
26 Section 3-44.10 of the Use Tax Act, the tax imposed by this Act

1 applies to (i) 70% of the selling price of that liquefied
2 natural gas for sales made on or after January 1, 2018 and on
3 or before December 31, 2023 and (ii) 100% of the selling price
4 of that liquefied natural gas thereafter.

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

15 The tax shall be imposed at the rate of 1% on food prepared
16 for immediate consumption and transferred incident to a sale of
17 service subject to this Act or the Service Occupation Tax Act
18 by an entity licensed under the Hospital Licensing Act, the
19 Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD
20 Act, the Specialized Mental Health Rehabilitation Act of 2013,
21 or the Child Care Act of 1969. The tax shall also be imposed at
22 the rate of 1% on food for human consumption that is to be
23 consumed off the premises where it is sold (other than
24 alcoholic beverages, soft drinks, and food that has been
25 prepared for immediate consumption and is not otherwise
26 included in this paragraph) and prescription and

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

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

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

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

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

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

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

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

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

18 (Source: P.A. 98-104, eff. 7-22-13; 98-122, eff. 1-1-14;
19 98-756, eff. 7-16-14; 99-143, eff. 7-27-15; 99-180, eff.
20 7-29-15; 99-642, eff. 7-28-16; 99-858, eff. 8-19-16.)

21 Section 20. The Retailers' Occupation Tax Act is amended by
22 changing Section 2-10 as follows:

23 (35 ILCS 120/2-10)

24 Sec. 2-10. Rate of tax. Unless otherwise provided in this

1 Section, the tax imposed by this Act is at the rate of 6.25% of
2 gross receipts from sales of tangible personal property made in
3 the course of business.

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, with
9 respect to sales tax holiday items as defined in Section 2-8 of
10 this Act, the tax is imposed at the rate of 1.25%.

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

26 With respect to gasohol, as defined in the Use Tax Act, the

1 tax imposed by this Act applies to (i) 70% of the proceeds of
2 sales made on or after January 1, 1990, and before July 1,
3 2003, (ii) 80% of the proceeds of sales made on or after July
4 1, 2003 and on or before December 31, 2018, and (iii) 100% of
5 the proceeds of sales made thereafter. If, at any time,
6 however, the tax under this Act on sales of gasohol, as defined
7 in the Use Tax Act, is imposed at the rate of 1.25%, then the
8 tax imposed by this Act applies to 100% of the proceeds of
9 sales of gasohol made during that time.

10 With respect to majority blended ethanol fuel, as defined
11 in the Use Tax Act, the tax imposed by this Act does not apply
12 to the proceeds of sales made on or after July 1, 2003 and on or
13 before December 31, 2018 but applies to 100% of the proceeds of
14 sales made 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 proceeds of
18 sales made on or after July 1, 2003 and on or before December
19 31, 2018 and (ii) 100% of the proceeds of sales made
20 thereafter. If, at any time, however, the tax under this Act on
21 sales of biodiesel blends, as defined in the Use Tax Act, with
22 no less than 1% and no more than 10% biodiesel is imposed at
23 the rate of 1.25%, then the tax imposed by this Act applies to
24 100% of the proceeds of sales of biodiesel blends with no less
25 than 1% and no more than 10% biodiesel made during that time.

26 With respect to 100% biodiesel, as defined in the Use Tax

1 Act, and biodiesel blends, as defined in the Use Tax Act, with
2 more than 10% but no more than 99% biodiesel, the tax imposed
3 by this Act does not apply to the proceeds of sales made on or
4 after July 1, 2003 and on or before December 31, 2018 but
5 applies to 100% of the proceeds of sales made thereafter.

6 With respect to liquefied natural gas, as defined in
7 Section 3-44.10 of the Use Tax Act, the tax imposed by this Act
8 applies to (i) 70% of the gross receipts from sales of that
9 liquefied natural gas made on or after January 1, 2018 and on
10 or before December 31, 2023 and (ii) 100% of the gross receipts
11 from sales of that liquefied natural gas thereafter.

12 With respect to food for human consumption that is to be
13 consumed off the premises where it is sold (other than
14 alcoholic beverages, soft drinks, and food that has been
15 prepared for immediate consumption) and prescription and
16 nonprescription medicines, drugs, medical appliances, products
17 classified as Class III medical devices by the United States
18 Food and Drug Administration that are used for cancer treatment
19 pursuant to a prescription, as well as any accessories and
20 components related to those devices, modifications to a motor
21 vehicle for the purpose of rendering it usable by a person with
22 a disability, and insulin, urine testing materials, syringes,
23 and needles used by diabetics, for human use, the tax is
24 imposed at the rate of 1%. For the purposes of this Section,
25 until September 1, 2009: the term "soft drinks" means any
26 complete, finished, ready-to-use, non-alcoholic drink, whether

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

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

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

1 regardless of the location of the vending machine.

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

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

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

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

1 substance or preparation.

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

7 (Source: P.A. 98-122, eff. 1-1-14; 99-143, eff. 7-27-15;
8 99-858, eff. 8-19-16.)

9 Section 99. Effective date. This Act takes effect upon
10 becoming law."