

HB3076



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3076

by Rep. Charles Meier

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
35 ILCS 105/3-10	
35 ILCS 120/2-10	

Amends the Use Tax Act and the Retailers' Occupation Tax Act. Provides that, from August 2, 2019 through August 11, 2019, the tax imposed under the Acts on clothing and school supplies shall be at the rate of 1.25% (instead of 6.25%). Effective immediately.

LRB101 10105 HLH 55208 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The State Finance Act is amended by changing
5 Sections 6z-18 and 6z-20 as follows:

6 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

7 Sec. 6z-18. Local Government Tax Fund. A portion of the
8 money paid into the Local Government Tax Fund from sales of
9 tangible personal property taxed at the 1% rate under the
10 Retailers' Occupation Tax Act and the Service Occupation Tax
11 Act, which occurred in municipalities, shall be distributed to
12 each municipality based upon the sales which occurred in that
13 municipality. The remainder shall be distributed to each county
14 based upon the sales which occurred in the unincorporated area
15 of that county.

16 A portion of the money paid into the Local Government Tax
17 Fund from the 6.25% general use tax rate on the selling price
18 of tangible personal property which is purchased outside
19 Illinois at retail from a retailer and which is titled or
20 registered by any agency of this State's government shall be
21 distributed to municipalities as provided in this paragraph.
22 Each municipality shall receive the amount attributable to
23 sales for which Illinois addresses for titling or registration

1 purposes are given as being in such municipality. The remainder
2 of the money paid into the Local Government Tax Fund from such
3 sales shall be distributed to counties. Each county shall
4 receive the amount attributable to sales for which Illinois
5 addresses for titling or registration purposes are given as
6 being located in the unincorporated area of such county.

7 A portion of the money paid into the Local Government Tax
8 Fund from the 6.25% general rate (and, beginning July 1, 2000
9 and through December 31, 2000, the 1.25% rate on motor fuel and
10 gasohol, and beginning on August 6, 2010 through August 15,
11 2010, and beginning again from August 2, 2019 through August
12 11, 2019, the 1.25% rate on sales tax holiday items) on sales
13 subject to taxation under the Retailers' Occupation Tax Act and
14 the Service Occupation Tax Act, which occurred in
15 municipalities, shall be distributed to each municipality,
16 based upon the sales which occurred in that municipality. The
17 remainder shall be distributed to each county, based upon the
18 sales which occurred in the unincorporated area of such county.

19 For the purpose of determining allocation to the local
20 government unit, a retail sale by a producer of coal or other
21 mineral mined in Illinois is a sale at retail at the place
22 where the coal or other mineral mined in Illinois is extracted
23 from the earth. This paragraph does not apply to coal or other
24 mineral when it is delivered or shipped by the seller to the
25 purchaser at a point outside Illinois so that the sale is
26 exempt under the United States Constitution as a sale in

1 interstate or foreign commerce.

2 Whenever the Department determines that a refund of money
3 paid into the Local Government Tax Fund should be made to a
4 claimant instead of issuing a credit memorandum, the Department
5 shall notify the State Comptroller, who shall cause the order
6 to be drawn for the amount specified, and to the person named,
7 in such notification from the Department. Such refund shall be
8 paid by the State Treasurer out of the Local Government Tax
9 Fund.

10 As soon as possible after the first day of each month,
11 beginning January 1, 2011, upon certification of the Department
12 of Revenue, the Comptroller shall order transferred, and the
13 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
14 local sales tax increment, as defined in the Innovation
15 Development and Economy Act, collected during the second
16 preceding calendar month for sales within a STAR bond district
17 and deposited into the Local Government Tax Fund, less 3% of
18 that amount, which shall be transferred into the Tax Compliance
19 and Administration Fund and shall be used by the Department,
20 subject to appropriation, to cover the costs of the Department
21 in administering the Innovation Development and Economy Act.

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on or before the 25th day of each calendar month, the
24 Department shall prepare and certify to the Comptroller the
25 disbursement of stated sums of money to named municipalities
26 and counties, the municipalities and counties to be those

1 entitled to distribution of taxes or penalties paid to the
2 Department during the second preceding calendar month. The
3 amount to be paid to each municipality or county shall be the
4 amount (not including credit memoranda) collected during the
5 second preceding calendar month by the Department and paid into
6 the Local Government Tax Fund, plus an amount the Department
7 determines is necessary to offset any amounts which were
8 erroneously paid to a different taxing body, and not including
9 an amount equal to the amount of refunds made during the second
10 preceding calendar month by the Department, and not including
11 any amount which the Department determines is necessary to
12 offset any amounts which are payable to a different taxing body
13 but were erroneously paid to the municipality or county, and
14 not including any amounts that are transferred to the STAR
15 Bonds Revenue Fund. Within 10 days after receipt, by the
16 Comptroller, of the disbursement certification to the
17 municipalities and counties, provided for in this Section to be
18 given to the Comptroller by the Department, the Comptroller
19 shall cause the orders to be drawn for the respective amounts
20 in accordance with the directions contained in such
21 certification.

22 When certifying the amount of monthly disbursement to a
23 municipality or county under this Section, the Department shall
24 increase or decrease that amount by an amount necessary to
25 offset any misallocation of previous disbursements. The offset
26 amount shall be the amount erroneously disbursed within the 6

1 months preceding the time a misallocation is discovered.

2 The provisions directing the distributions from the
3 special fund in the State Treasury provided for in this Section
4 shall constitute an irrevocable and continuing appropriation
5 of all amounts as provided herein. The State Treasurer and
6 State Comptroller are hereby authorized to make distributions
7 as provided in this Section.

8 In construing any development, redevelopment, annexation,
9 preannexation or other lawful agreement in effect prior to
10 September 1, 1990, which describes or refers to receipts from a
11 county or municipal retailers' occupation tax, use tax or
12 service occupation tax which now cannot be imposed, such
13 description or reference shall be deemed to include the
14 replacement revenue for such abolished taxes, distributed from
15 the Local Government Tax Fund.

16 As soon as possible after the effective date of this
17 amendatory Act of the 98th General Assembly, the State
18 Comptroller shall order and the State Treasurer shall transfer
19 \$6,600,000 from the Local Government Tax Fund to the Illinois
20 State Medical Disciplinary Fund.

21 (Source: P.A. 100-1171, eff. 1-4-19.)

22 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

23 Sec. 6z-20. County and Mass Transit District Fund. Of the
24 money received from the 6.25% general rate (and, beginning July
25 1, 2000 and through December 31, 2000, the 1.25% rate on motor

1 fuel and gasohol, and beginning on August 6, 2010 through
2 August 15, 2010, and beginning again from August 2, 2019
3 through August 11, 2019, the 1.25% rate on sales tax holiday
4 items) on sales subject to taxation under the Retailers'
5 Occupation Tax Act and Service Occupation Tax Act and paid into
6 the County and Mass Transit District Fund, distribution to the
7 Regional Transportation Authority tax fund, created pursuant
8 to Section 4.03 of the Regional Transportation Authority Act,
9 for deposit therein shall be made based upon the retail sales
10 occurring in a county having more than 3,000,000 inhabitants.
11 The remainder shall be distributed to each county having
12 3,000,000 or fewer inhabitants based upon the retail sales
13 occurring in each such county.

14 For the purpose of determining allocation to the local
15 government unit, a retail sale by a producer of coal or other
16 mineral mined in Illinois is a sale at retail at the place
17 where the coal or other mineral mined in Illinois is extracted
18 from the earth. This paragraph does not apply to coal or other
19 mineral when it is delivered or shipped by the seller to the
20 purchaser at a point outside Illinois so that the sale is
21 exempt under the United States Constitution as a sale in
22 interstate or foreign commerce.

23 Of the money received from the 6.25% general use tax rate
24 on tangible personal property which is purchased outside
25 Illinois at retail from a retailer and which is titled or
26 registered by any agency of this State's government and paid

1 into the County and Mass Transit District Fund, the amount for
2 which Illinois addresses for titling or registration purposes
3 are given as being in each county having more than 3,000,000
4 inhabitants shall be distributed into the Regional
5 Transportation Authority tax fund, created pursuant to Section
6 4.03 of the Regional Transportation Authority Act. The
7 remainder of the money paid from such sales shall be
8 distributed to each county based on sales for which Illinois
9 addresses for titling or registration purposes are given as
10 being located in the county. Any money paid into the Regional
11 Transportation Authority Occupation and Use Tax Replacement
12 Fund from the County and Mass Transit District Fund prior to
13 January 14, 1991, which has not been paid to the Authority
14 prior to that date, shall be transferred to the Regional
15 Transportation Authority tax fund.

16 Whenever the Department determines that a refund of money
17 paid into the County and Mass Transit District Fund should be
18 made to a claimant instead of issuing a credit memorandum, the
19 Department shall notify the State Comptroller, who shall cause
20 the order to be drawn for the amount specified, and to the
21 person named, in such notification from the Department. Such
22 refund shall be paid by the State Treasurer out of the County
23 and Mass Transit District Fund.

24 As soon as possible after the first day of each month,
25 beginning January 1, 2011, upon certification of the Department
26 of Revenue, the Comptroller shall order transferred, and the

1 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
2 local sales tax increment, as defined in the Innovation
3 Development and Economy Act, collected during the second
4 preceding calendar month for sales within a STAR bond district
5 and deposited into the County and Mass Transit District Fund,
6 less 3% of that amount, which shall be transferred into the Tax
7 Compliance and Administration Fund and shall be used by the
8 Department, subject to appropriation, to cover the costs of the
9 Department in administering the Innovation Development and
10 Economy Act.

11 After the monthly transfer to the STAR Bonds Revenue Fund,
12 on or before the 25th day of each calendar month, the
13 Department shall prepare and certify to the Comptroller the
14 disbursement of stated sums of money to the Regional
15 Transportation Authority and to named counties, the counties to
16 be those entitled to distribution, as hereinabove provided, of
17 taxes or penalties paid to the Department during the second
18 preceding calendar month. The amount to be paid to the Regional
19 Transportation Authority and each county having 3,000,000 or
20 fewer inhabitants shall be the amount (not including credit
21 memoranda) collected during the second preceding calendar
22 month by the Department and paid into the County and Mass
23 Transit District Fund, plus an amount the Department determines
24 is necessary to offset any amounts which were erroneously paid
25 to a different taxing body, and not including an amount equal
26 to the amount of refunds made during the second preceding

1 calendar month by the Department, and not including any amount
2 which the Department determines is necessary to offset any
3 amounts which were payable to a different taxing body but were
4 erroneously paid to the Regional Transportation Authority or
5 county, and not including any amounts that are transferred to
6 the STAR Bonds Revenue Fund, less 1.5% of the amount to be paid
7 to the Regional Transportation Authority, which shall be
8 transferred into the Tax Compliance and Administration Fund.
9 The Department, at the time of each monthly disbursement to the
10 Regional Transportation Authority, shall prepare and certify
11 to the State Comptroller the amount to be transferred into the
12 Tax Compliance and Administration Fund under this Section.
13 Within 10 days after receipt, by the Comptroller, of the
14 disbursement certification to the Regional Transportation
15 Authority, counties, and the Tax Compliance and Administration
16 Fund provided for in this Section to be given to the
17 Comptroller by the Department, the Comptroller shall cause the
18 orders to be drawn for the respective amounts in accordance
19 with the directions contained in such certification.

20 When certifying the amount of a monthly disbursement to the
21 Regional Transportation Authority or to a county under this
22 Section, the Department shall increase or decrease that amount
23 by an amount necessary to offset any misallocation of previous
24 disbursements. The offset amount shall be the amount
25 erroneously disbursed within the 6 months preceding the time a
26 misallocation is discovered.

1 The provisions directing the distributions from the
2 special fund in the State Treasury provided for in this Section
3 and from the Regional Transportation Authority tax fund created
4 by Section 4.03 of the Regional Transportation Authority Act
5 shall constitute an irrevocable and continuing appropriation
6 of all amounts as provided herein. The State Treasurer and
7 State Comptroller are hereby authorized to make distributions
8 as provided in this Section.

9 In construing any development, redevelopment, annexation,
10 preannexation or other lawful agreement in effect prior to
11 September 1, 1990, which describes or refers to receipts from a
12 county or municipal retailers' occupation tax, use tax or
13 service occupation tax which now cannot be imposed, such
14 description or reference shall be deemed to include the
15 replacement revenue for such abolished taxes, distributed from
16 the County and Mass Transit District Fund or Local Government
17 Distributive Fund, as the case may be.

18 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

19 Section 10. The Use Tax Act is amended by changing Section
20 3-10 as follows:

21 (35 ILCS 105/3-10)

22 Sec. 3-10. Rate of tax. Unless otherwise provided in this
23 Section, the tax imposed by this Act is at the rate of 6.25% of
24 either the selling price or the fair market value, if any, of

1 the tangible personal property. In all cases where property
2 functionally used or consumed is the same as the property that
3 was purchased at retail, then the tax is imposed on the selling
4 price of the property. In all cases where property functionally
5 used or consumed is a by-product or waste product that has been
6 refined, manufactured, or produced from property purchased at
7 retail, then the tax is imposed on the lower of the fair market
8 value, if any, of the specific property so used in this State
9 or on the selling price of the property purchased at retail.
10 For purposes of this Section "fair market value" means the
11 price at which property would change hands between a willing
12 buyer and a willing seller, neither being under any compulsion
13 to buy or sell and both having reasonable knowledge of the
14 relevant facts. The fair market value shall be established by
15 Illinois sales by the taxpayer of the same property as that
16 functionally used or consumed, or if there are no such sales by
17 the taxpayer, then comparable sales or purchases of property of
18 like kind and character in Illinois.

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

23 Beginning on August 6, 2010 through August 15, 2010, and
24 beginning again from August 2, 2019 through August 11, 2019,
25 with respect to sales tax holiday items as defined in Section
26 3-6 of this Act, the tax is imposed at the rate of 1.25%.

1 With respect to gasohol, the tax imposed by this Act
2 applies to (i) 70% of the proceeds of sales made on or after
3 January 1, 1990, and before July 1, 2003, (ii) 80% of the
4 proceeds of sales made on or after July 1, 2003 and on or
5 before July 1, 2017, and (iii) 100% of the proceeds of sales
6 made thereafter. If, at any time, however, the tax under this
7 Act on sales of gasohol is imposed at the rate of 1.25%, then
8 the 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, the tax
11 imposed by this Act does not apply to the proceeds of sales
12 made on or after July 1, 2003 and on or before December 31,
13 2023 but applies to 100% of the proceeds of sales made
14 thereafter.

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

25 With respect to 100% biodiesel and biodiesel blends with
26 more than 10% but no more than 99% biodiesel, the tax imposed

1 by this Act does not apply to the proceeds of sales made on or
2 after July 1, 2003 and on or before December 31, 2023 but
3 applies to 100% of the proceeds of sales made thereafter.

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

1 containing 50% or more natural fruit or vegetable juice.

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

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

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

1 pieces. "Candy" does not include any preparation that contains
2 flour or requires refrigeration.

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

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

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

25 If the property that is purchased at retail from a retailer
26 is acquired outside Illinois and used outside Illinois before

1 being brought to Illinois for use here and is taxable under
2 this Act, the "selling price" on which the tax is computed
3 shall be reduced by an amount that represents a reasonable
4 allowance for depreciation for the period of prior out-of-state
5 use.

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

8 Section 15. The Retailers' Occupation Tax Act is amended by
9 changing Section 2-10 as follows:

10 (35 ILCS 120/2-10)

11 Sec. 2-10. Rate of tax. Unless otherwise provided in this
12 Section, the tax imposed by this Act is at the rate of 6.25% of
13 gross receipts from sales of tangible personal property made in
14 the course of business.

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

19 Beginning on August 6, 2010 through August 15, 2010, and
20 beginning again from August 2, 2019 through August 11, 2019,
21 with respect to sales tax holiday items as defined in Section
22 2-8 of this Act, the tax is imposed at the rate of 1.25%.

23 Within 14 days after the effective date of this amendatory
24 Act of the 91st General Assembly, each retailer of motor fuel

1 and gasohol shall cause the following notice to be posted in a
2 prominently visible place on each retail dispensing device that
3 is used to dispense motor fuel or gasohol in the State of
4 Illinois: "As of July 1, 2000, the State of Illinois has
5 eliminated the State's share of sales tax on motor fuel and
6 gasohol through December 31, 2000. The price on this pump
7 should reflect the elimination of the tax." The notice shall be
8 printed in bold print on a sign that is no smaller than 4
9 inches by 8 inches. The sign shall be clearly visible to
10 customers. Any retailer who fails to post or maintain a
11 required sign through December 31, 2000 is guilty of a petty
12 offense for which the fine shall be \$500 per day per each
13 retail premises where a violation occurs.

14 With respect to gasohol, as defined in the Use Tax Act, the
15 tax imposed by this Act applies to (i) 70% of the proceeds of
16 sales made on or after January 1, 1990, and before July 1,
17 2003, (ii) 80% of the proceeds of sales made on or after July
18 1, 2003 and on or before July 1, 2017, and (iii) 100% of the
19 proceeds of sales made thereafter. If, at any time, however,
20 the tax under this Act on sales of gasohol, as defined in the
21 Use Tax Act, is imposed at the rate of 1.25%, then the tax
22 imposed by this Act applies to 100% of the proceeds of sales of
23 gasohol made during that time.

24 With respect to majority blended ethanol fuel, as defined
25 in the Use Tax Act, the tax imposed by this Act does not apply
26 to the proceeds of sales made on or after July 1, 2003 and on or

1 before December 31, 2023 but applies to 100% of the proceeds of
2 sales made thereafter.

3 With respect to biodiesel blends, as defined in the Use Tax
4 Act, with no less than 1% and no more than 10% biodiesel, the
5 tax imposed by this Act applies to (i) 80% of the proceeds of
6 sales made on or after July 1, 2003 and on or before December
7 31, 2018 and (ii) 100% of the proceeds of sales made
8 thereafter. If, at any time, however, the tax under this Act on
9 sales of biodiesel blends, as defined in the Use Tax Act, with
10 no less than 1% and no more than 10% biodiesel is imposed at
11 the rate of 1.25%, then the tax imposed by this Act applies to
12 100% of the proceeds of sales of biodiesel blends with no less
13 than 1% 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, the tax imposed
17 by this Act does not apply to the proceeds of sales made on or
18 after July 1, 2003 and on or before December 31, 2023 but
19 applies to 100% of the proceeds of sales made thereafter.

20 With respect to food for human consumption that is to be
21 consumed off the premises where it is sold (other than
22 alcoholic beverages, soft drinks, and food that has been
23 prepared for immediate consumption) and prescription and
24 nonprescription medicines, drugs, medical appliances, products
25 classified as Class III medical devices by the United States
26 Food and Drug Administration that are used for cancer treatment

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

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

24 Until August 1, 2009, and notwithstanding any other
25 provisions of this Act, "food for human consumption that is to
26 be consumed off the premises where it is sold" includes all

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

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

19 Notwithstanding any other provisions of this Act,
20 beginning September 1, 2009, "nonprescription medicines and
21 drugs" does not include grooming and hygiene products. For
22 purposes of this Section, "grooming and hygiene products"
23 includes, but is not limited to, soaps and cleaning solutions,
24 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
25 lotions and screens, unless those products are available by
26 prescription only, regardless of whether the products meet the

1 definition of "over-the-counter-drugs". For the purposes of
2 this paragraph, "over-the-counter-drug" means a drug for human
3 use that contains a label that identifies the product as a drug
4 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
5 label includes:

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

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

10 Beginning on the effective date of this amendatory Act of
11 the 98th General Assembly, "prescription and nonprescription
12 medicines and drugs" includes medical cannabis purchased from a
13 registered dispensing organization under the Compassionate Use
14 of Medical Cannabis Pilot Program Act.

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

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.