



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

**HB4487**

Introduced 2/4/2020, by Rep. Marcus C. Evans, Jr.

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-10  
35 ILCS 110/3-10  
35 ILCS 115/3-10  
35 ILCS 120/2-10

from Ch. 120, par. 439.33-10  
from Ch. 120, par. 439.103-10

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that all blood sugar testing materials are subject to the 1% reduced rate of tax (currently, urine testing materials for human use only). Effective immediately.

LRB101 17684 HLH 69110 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 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  
17 value, if any, of the specific property so used in this State  
18 or on the selling price of the property purchased at retail.  
19 For purposes of this Section "fair market value" means the  
20 price at which property would change hands between a willing  
21 buyer and a willing seller, neither being under any compulsion  
22 to buy or sell and both having reasonable knowledge of the  
23 relevant facts. The fair market value shall be established by

1 Illinois sales by the taxpayer of the same property as that  
2 functionally used or consumed, or if there are no such sales by  
3 the taxpayer, then comparable sales or purchases of property of  
4 like kind and character in Illinois.

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

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

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

21 With respect to majority blended ethanol fuel, the tax  
22 imposed by this Act does not apply to the proceeds of sales  
23 made on or after July 1, 2003 and on or before December 31,  
24 2023 but applies to 100% of the proceeds of sales made  
25 thereafter.

26 With respect to biodiesel blends with no less than 1% and

1 no more than 10% biodiesel, the tax imposed by this Act applies  
2 to (i) 80% of the proceeds of sales made on or after July 1,  
3 2003 and on or before December 31, 2018 and (ii) 100% of the  
4 proceeds of sales made thereafter. If, at any time, however,  
5 the tax under this Act on sales of biodiesel blends with no  
6 less than 1% and no more than 10% biodiesel is imposed at the  
7 rate of 1.25%, then the tax imposed by this Act applies to 100%  
8 of the proceeds of sales of biodiesel blends with no less than  
9 1% and no more than 10% biodiesel made during that time.

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

15 With respect to food for human consumption that is to be  
16 consumed off the premises where it is sold (other than  
17 alcoholic beverages, food consisting of or infused with adult  
18 use cannabis, soft drinks, and food that has been prepared for  
19 immediate consumption) and prescription and nonprescription  
20 medicines, drugs, medical appliances, products classified as  
21 Class III medical devices by the United States Food and Drug  
22 Administration that are used for cancer treatment pursuant to a  
23 prescription, as well as any accessories and components related  
24 to those devices, modifications to a motor vehicle for the  
25 purpose of rendering it usable by a person with a disability,  
26 and insulin, blood sugar ~~urine~~ testing materials, syringes, and

1 needles used by human diabetics, ~~for human use~~, the tax is  
2 imposed at the rate of 1%. For the purposes of this Section,  
3 until September 1, 2009: the term "soft drinks" means any  
4 complete, finished, ready-to-use, non-alcoholic drink, whether  
5 carbonated or not, including but not limited to soda water,  
6 cola, fruit juice, vegetable juice, carbonated water, and all  
7 other preparations commonly known as soft drinks of whatever  
8 kind or description that are contained in any closed or sealed  
9 bottle, can, carton, or container, regardless of size; but  
10 "soft drinks" does not include coffee, tea, non-carbonated  
11 water, infant formula, milk or milk products as defined in the  
12 Grade A Pasteurized Milk and Milk Products Act, or drinks  
13 containing 50% or more natural fruit or vegetable juice.

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

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

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

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

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

1 label includes:

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

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

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

11 As used in this Section, "adult use cannabis" means  
12 cannabis subject to tax under the Cannabis Cultivation  
13 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law and  
14 does not include cannabis subject to tax under the  
15 Compassionate Use of Medical Cannabis Program Act.

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

23 (Source: P.A. 100-22, eff. 7-6-17; 101-363, eff. 8-9-19;  
24 101-593, eff. 12-4-19.)

25 Section 10. The Service Use Tax Act is amended by changing

1 Section 3-10 as follows:

2 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

3 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
4 Section, the tax imposed by this Act is at the rate of 6.25% of  
5 the selling price of tangible personal property transferred as  
6 an incident to the sale of service, but, for the purpose of  
7 computing this tax, in no event shall the selling price be less  
8 than the cost price of the property to the serviceman.

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

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



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, 2023 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, the tax imposed  
20 by this Act does not apply to the proceeds of the selling price  
21 of property transferred as an incident to the sale of service  
22 on or after July 1, 2003 and on or before December 31, 2023 but  
23 applies to 100% of the selling price thereafter.

24 At the election of any registered serviceman made for each  
25 fiscal year, sales of service in which the aggregate annual  
26 cost price of tangible personal property transferred as an

1 incident to the sales of service is less than 35%, or 75% in  
2 the case of servicemen transferring prescription drugs or  
3 servicemen engaged in graphic arts production, of the aggregate  
4 annual total gross receipts from all sales of service, the tax  
5 imposed by this Act shall be based on the serviceman's cost  
6 price of the tangible personal property transferred as an  
7 incident to the sale of those services.

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

1 and insulin, blood sugar ~~urine~~ testing materials, syringes, and  
2 needles used by human diabetics, ~~for human use~~. For the  
3 purposes of this Section, until September 1, 2009: the term  
4 "soft drinks" means any complete, finished, ready-to-use,  
5 non-alcoholic drink, whether carbonated or not, including but  
6 not limited to soda water, cola, fruit juice, vegetable juice,  
7 carbonated water, and all other preparations commonly known as  
8 soft drinks of whatever kind or description that are contained  
9 in any closed or sealed bottle, can, carton, or container,  
10 regardless of size; but "soft drinks" does not include coffee,  
11 tea, non-carbonated water, infant formula, milk or milk  
12 products as defined in the Grade A Pasteurized Milk and Milk  
13 Products Act, or drinks containing 50% or more natural fruit or  
14 vegetable juice.

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

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

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

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

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

1 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
2 label includes:

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

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

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

12 As used in this Section, "adult use cannabis" means  
13 cannabis subject to tax under the Cannabis Cultivation  
14 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law and  
15 does not include cannabis subject to tax under the  
16 Compassionate Use of Medical Cannabis Program Act.

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

24 (Source: P.A. 100-22, eff. 7-6-17; 101-363, eff. 8-9-19;  
25 101-593, eff. 12-4-19.)

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

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

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

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

1           With respect to gasohol, as defined in the Use Tax Act, the  
2 tax imposed by this Act shall apply to (i) 70% of the cost  
3 price of property transferred as an incident to the sale of  
4 service on or after January 1, 1990, and before July 1, 2003,  
5 (ii) 80% of the selling price of property transferred as an  
6 incident to the sale of service on or after July 1, 2003 and on  
7 or before July 1, 2017, and (iii) 100% of the cost price  
8 thereafter. If, at any time, however, the tax under this Act on  
9 sales of gasohol, as defined in the Use Tax Act, is imposed at  
10 the rate of 1.25%, then the tax imposed by this Act applies to  
11 100% of the proceeds of sales of gasohol made during that time.

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

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

1 of 1.25%, then the tax imposed by this Act applies to 100% of  
2 the proceeds of sales of biodiesel blends with no less than 1%  
3 and no more than 10% biodiesel made during that time.

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

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

22 The tax shall be imposed at the rate of 1% on food prepared  
23 for immediate consumption and transferred incident to a sale of  
24 service subject to this Act or the Service Occupation Tax Act  
25 by an entity licensed under the Hospital Licensing Act, the  
26 Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD



1 Act, the Specialized Mental Health Rehabilitation Act of 2013,  
2 or the Child Care Act of 1969. The tax shall also be imposed at  
3 the rate of 1% on food for human consumption that is to be  
4 consumed off the premises where it is sold (other than  
5 alcoholic beverages, food consisting of or infused with adult  
6 use cannabis, soft drinks, and food that has been prepared for  
7 immediate consumption and is not otherwise included in this  
8 paragraph) and prescription and nonprescription medicines,  
9 drugs, medical appliances, products classified as Class III  
10 medical devices by the United States Food and Drug  
11 Administration that are used for cancer treatment pursuant to a  
12 prescription, as well as any accessories and components related  
13 to those devices, modifications to a motor vehicle for the  
14 purpose of rendering it usable by a person with a disability,  
15 and insulin, blood sugar ~~urine~~ testing materials, syringes, and  
16 needles used by human diabetics, ~~for human use~~. For the  
17 purposes of this Section, until September 1, 2009: the term  
18 "soft drinks" means any complete, finished, ready-to-use,  
19 non-alcoholic drink, whether carbonated or not, including but  
20 not limited to soda water, cola, fruit juice, vegetable juice,  
21 carbonated water, and all other preparations commonly known as  
22 soft drinks of whatever kind or description that are contained  
23 in any closed or sealed can, carton, or container, regardless  
24 of size; but "soft drinks" does not include coffee, tea,  
25 non-carbonated water, infant formula, milk or milk products as  
26 defined in the Grade A Pasteurized Milk and Milk Products Act,

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

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

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

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

1 ingredients or flavorings in the form of bars, drops, or  
2 pieces. "Candy" does not include any preparation that contains  
3 flour or requires refrigeration.

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

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

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

21 Beginning on January 1, 2014 (the effective date of Public  
22 Act 98-122), "prescription and nonprescription medicines and  
23 drugs" includes medical cannabis purchased from a registered  
24 dispensing organization under the Compassionate Use of Medical  
25 Cannabis Program Act.

26 As used in this Section, "adult use cannabis" means

1 cannabis subject to tax under the Cannabis Cultivation  
2 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law and  
3 does not include cannabis subject to tax under the  
4 Compassionate Use of Medical Cannabis Program Act.

5 (Source: P.A. 100-22, eff. 7-6-17; 101-363, eff. 8-9-19;  
6 101-593, eff. 12-4-19.)

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

9 (35 ILCS 120/2-10)

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

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

18 Beginning on August 6, 2010 through August 15, 2010, with  
19 respect to sales tax holiday items as defined in Section 2-8 of  
20 this Act, the tax is imposed at the rate of 1.25%.

21 Within 14 days after the effective date of this amendatory  
22 Act of the 91st General Assembly, each retailer of motor fuel  
23 and gasohol shall cause the following notice to be posted in a  
24 prominently visible place on each retail dispensing device that

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

12 With respect to gasohol, as defined in the Use Tax Act, the  
13 tax imposed by this Act applies to (i) 70% of the proceeds of  
14 sales made on or after January 1, 1990, and before July 1,  
15 2003, (ii) 80% of the proceeds of sales made on or after July  
16 1, 2003 and on or before July 1, 2017, and (iii) 100% of the  
17 proceeds of sales made thereafter. If, at any time, however,  
18 the tax under this Act on sales of gasohol, as defined in the  
19 Use Tax Act, is imposed at the rate of 1.25%, then the tax  
20 imposed by this Act applies to 100% of the proceeds of sales of  
21 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 proceeds of sales made on or after July 1, 2003 and on or  
25 before December 31, 2023 but applies to 100% of the proceeds of  
26 sales made thereafter.

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

12           With respect to 100% biodiesel, as defined in the Use Tax  
13 Act, and biodiesel blends, as defined in the Use Tax Act, with  
14 more than 10% but no more than 99% biodiesel, the tax imposed  
15 by this Act does not apply to the proceeds of sales made on or  
16 after July 1, 2003 and on or before December 31, 2023 but  
17 applies to 100% of the proceeds of sales made thereafter.

18           With respect to food for human consumption that is to be  
19 consumed off the premises where it is sold (other than  
20 alcoholic beverages, food consisting of or infused with adult  
21 use cannabis, soft drinks, and food that has been prepared for  
22 immediate consumption) and prescription and nonprescription  
23 medicines, drugs, medical appliances, products classified as  
24 Class III medical devices by the United States Food and Drug  
25 Administration that are used for cancer treatment pursuant to a  
26 prescription, as well as any accessories and components related

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

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

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

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

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

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



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

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

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

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

14 As used in this Section, "adult use cannabis" means  
15 cannabis subject to tax under the Cannabis Cultivation  
16 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law and  
17 does not include cannabis subject to tax under the  
18 Compassionate Use of Medical Cannabis Program Act.

19 (Source: P.A. 100-22, eff. 7-6-17; 101-363, eff. 8-9-19;  
20 101-593, eff. 12-4-19.)

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.