



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5146

Introduced 1/27/2022, by Rep. Sandra Hamilton

SYNOPSIS AS INTRODUCED:

35 ILCS 505/2

from Ch. 120, par. 418

Amends the Motor Fuel Tax Law. Provides that the tax shall not be imposed for a period of 180 days if: (1) the wholesale price of the most widely traded crude oil traded on United States securities markets on any trading day has increased by more than \$20 per barrel over the figure from the wholesale price on the same day of the immediately preceding calendar year and remains above this \$20 benchmark for at least 10 successive trading days; or (b) the average pump price of Illinois-taxed motor fuel places Illinois motor fuel consumer prices in the top 10% among the 50 states.

LRB102 25087 HLH 34347 b

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 Motor Fuel Tax Law is amended by changing
5 Section 2 as follows:

6 (35 ILCS 505/2) (from Ch. 120, par. 418)

7 Sec. 2. A tax is imposed on the privilege of operating
8 motor vehicles upon the public highways and recreational-type
9 watercraft upon the waters of this State.

10 (a) Prior to August 1, 1989, the tax is imposed at the rate
11 of 13 cents per gallon on all motor fuel used in motor vehicles
12 operating on the public highways and recreational type
13 watercraft operating upon the waters of this State. Beginning
14 on August 1, 1989 and until January 1, 1990, the rate of the
15 tax imposed in this paragraph shall be 16 cents per gallon.
16 Beginning January 1, 1990 and until July 1, 2019, the rate of
17 tax imposed in this paragraph, including the tax on compressed
18 natural gas, shall be 19 cents per gallon. Beginning July 1,
19 2019, the rate of tax imposed in this paragraph shall be 38
20 cents per gallon and increased on July 1 of each subsequent
21 year by an amount equal to the percentage increase, if any, in
22 the Consumer Price Index for All Urban Consumers for all items
23 published by the United States Department of Labor for the 12

1 months ending in March of each year. The rate shall be rounded
2 to the nearest one-tenth of one cent.

3 (b) Until July 1, 2019, the tax on the privilege of
4 operating motor vehicles which use diesel fuel, liquefied
5 natural gas, or propane shall be the rate according to
6 paragraph (a) plus an additional 2 1/2 cents per gallon.
7 Beginning July 1, 2019, the tax on the privilege of operating
8 motor vehicles which use diesel fuel, liquefied natural gas,
9 or propane shall be the rate according to subsection (a) plus
10 an additional 7.5 cents per gallon. "Diesel fuel" is defined
11 as any product intended for use or offered for sale as a fuel
12 for engines in which the fuel is injected into the combustion
13 chamber and ignited by pressure without electric spark.

14 (c) A tax is imposed upon the privilege of engaging in the
15 business of selling motor fuel as a retailer or reseller on all
16 motor fuel used in motor vehicles operating on the public
17 highways and recreational type watercraft operating upon the
18 waters of this State: (1) at the rate of 3 cents per gallon on
19 motor fuel owned or possessed by such retailer or reseller at
20 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents
21 per gallon on motor fuel owned or possessed by such retailer or
22 reseller at 12:01 A.M. on January 1, 1990.

23 Retailers and resellers who are subject to this additional
24 tax shall be required to inventory such motor fuel and pay this
25 additional tax in a manner prescribed by the Department of
26 Revenue.

1 The tax imposed in this paragraph (c) shall be in addition
2 to all other taxes imposed by the State of Illinois or any unit
3 of local government in this State.

4 (c-5) Notwithstanding any other provision of law, the tax
5 under this Act shall not be imposed if either of the following
6 conditions are met: (1) the wholesale price of the most widely
7 traded crude oil traded on United States securities markets on
8 any trading day has increased by more than \$20 per barrel over
9 the figure from the wholesale price on the same day of the
10 immediately preceding calendar year and remains above this \$20
11 benchmark for at least 10 successive trading days; or (b) the
12 average pump price of Illinois-taxed motor fuel places
13 Illinois motor fuel consumer prices in the top 10% among the 50
14 states. The suspension of the tax under this subsection (c-5)
15 shall begin on the first day of the next month to occur after
16 the Department of Commerce and Economic Opportunity certifies
17 to the Director of Revenue that the conditions under this
18 subsection exist and shall continue for a period of 180 days.
19 If, at the end of that 180-day period, the Department of
20 Revenue determines that the conditions for the suspension no
21 longer exist, then it shall resume collecting the tax. If, at
22 the end of that 180-day period, the Department of Revenue
23 determines that the conditions for the suspension continue to
24 exist, then the suspension shall continue for another 180-day
25 period.

26 (d) Except as provided in Section 2a, the collection of a

1 tax based on gallonage of gasoline used for the propulsion of
2 any aircraft is prohibited on and after October 1, 1979, and
3 the collection of a tax based on gallonage of special fuel used
4 for the propulsion of any aircraft is prohibited on and after
5 December 1, 2019.

6 (e) The collection of a tax, based on gallonage of all
7 products commonly or commercially known or sold as 1-K
8 kerosene, regardless of its classification or uses, is
9 prohibited (i) on and after July 1, 1992 until December 31,
10 1999, except when the 1-K kerosene is either: (1) delivered
11 into bulk storage facilities of a bulk user, or (2) delivered
12 directly into the fuel supply tanks of motor vehicles and (ii)
13 on and after January 1, 2000. Beginning on January 1, 2000, the
14 collection of a tax, based on gallonage of all products
15 commonly or commercially known or sold as 1-K kerosene,
16 regardless of its classification or uses, is prohibited except
17 when the 1-K kerosene is delivered directly into a storage
18 tank that is located at a facility that has withdrawal
19 facilities that are readily accessible to and are capable of
20 dispensing 1-K kerosene into the fuel supply tanks of motor
21 vehicles. For purposes of this subsection (e), a facility is
22 considered to have withdrawal facilities that are not "readily
23 accessible to and capable of dispensing 1-K kerosene into the
24 fuel supply tanks of motor vehicles" only if the 1-K kerosene
25 is delivered from: (i) a dispenser hose that is short enough so
26 that it will not reach the fuel supply tank of a motor vehicle

1 or (ii) a dispenser that is enclosed by a fence or other
2 physical barrier so that a vehicle cannot pull alongside the
3 dispenser to permit fueling.

4 Any person who sells or uses 1-K kerosene for use in motor
5 vehicles upon which the tax imposed by this Law has not been
6 paid shall be liable for any tax due on the sales or use of 1-K
7 kerosene.

8 (Source: P.A. 100-9, eff. 7-1-17; 101-10, eff. 6-5-19; 101-32,
9 eff. 6-28-19; 101-604, eff. 12-13-19.)