



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5215

Introduced 1/31/2022, by Rep. Chris Bos

SYNOPSIS AS INTRODUCED:

35 ILCS 505/2

from Ch. 120, par. 418

Amends the Motor Fuel Tax Law. Provides that the tax rate under the Act shall be frozen beginning with the effective date of the amendatory Act and continuing for 24 months after that date. Provides that the Consumer Price Index adjustment under the Act shall be suspended. Effective immediately.

LRB102 22261 HLH 31394 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 (a-5) Beginning on the effective date of this amendatory
4 Act of the 102nd General Assembly and continuing for 24 months
5 after that date, the tax rate imposed by subsection (a) shall
6 be frozen. With respect to July 1 dates of each calendar year
7 that fall within this 24-month period, the Consumer Price
8 Index adjustment mandated within paragraph (a) shall be
9 suspended. Upon completion of this 24-month period, the
10 Consumer Price Index adjustment mandated within paragraph (a)
11 shall resume, but no action may be taken during or after that
12 date to adjust the tax with respect to Consumer Price Index
13 changes that took place within the confines of this 24-month
14 period.

15 (b) Until July 1, 2019, the tax on the privilege of
16 operating motor vehicles which use diesel fuel, liquefied
17 natural gas, or propane shall be the rate according to
18 paragraph (a) plus an additional 2 1/2 cents per gallon.
19 Beginning July 1, 2019, the tax on the privilege of operating
20 motor vehicles which use diesel fuel, liquefied natural gas,
21 or propane shall be the rate according to subsection (a) plus
22 an additional 7.5 cents per gallon. "Diesel fuel" is defined
23 as any product intended for use or offered for sale as a fuel
24 for engines in which the fuel is injected into the combustion
25 chamber and ignited by pressure without electric spark.

26 (c) A tax is imposed upon the privilege of engaging in the

1 business of selling motor fuel as a retailer or reseller on all
2 motor fuel used in motor vehicles operating on the public
3 highways and recreational type watercraft operating upon the
4 waters of this State: (1) at the rate of 3 cents per gallon on
5 motor fuel owned or possessed by such retailer or reseller at
6 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents
7 per gallon on motor fuel owned or possessed by such retailer or
8 reseller at 12:01 A.M. on January 1, 1990.

9 Retailers and resellers who are subject to this additional
10 tax shall be required to inventory such motor fuel and pay this
11 additional tax in a manner prescribed by the Department of
12 Revenue.

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

16 (d) Except as provided in Section 2a, the collection of a
17 tax based on gallonage of gasoline used for the propulsion of
18 any aircraft is prohibited on and after October 1, 1979, and
19 the collection of a tax based on gallonage of special fuel used
20 for the propulsion of any aircraft is prohibited on and after
21 December 1, 2019.

22 (e) The collection of a tax, based on gallonage of all
23 products commonly or commercially known or sold as 1-K
24 kerosene, regardless of its classification or uses, is
25 prohibited (i) on and after July 1, 1992 until December 31,
26 1999, except when the 1-K kerosene is either: (1) delivered

1 into bulk storage facilities of a bulk user, or (2) delivered
2 directly into the fuel supply tanks of motor vehicles and (ii)
3 on and after January 1, 2000. Beginning on January 1, 2000, the
4 collection of a tax, based on gallonage of all products
5 commonly or commercially known or sold as 1-K kerosene,
6 regardless of its classification or uses, is prohibited except
7 when the 1-K kerosene is delivered directly into a storage
8 tank that is located at a facility that has withdrawal
9 facilities that are readily accessible to and are capable of
10 dispensing 1-K kerosene into the fuel supply tanks of motor
11 vehicles. For purposes of this subsection (e), a facility is
12 considered to have withdrawal facilities that are not "readily
13 accessible to and capable of dispensing 1-K kerosene into the
14 fuel supply tanks of motor vehicles" only if the 1-K kerosene
15 is delivered from: (i) a dispenser hose that is short enough so
16 that it will not reach the fuel supply tank of a motor vehicle
17 or (ii) a dispenser that is enclosed by a fence or other
18 physical barrier so that a vehicle cannot pull alongside the
19 dispenser to permit fueling.

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

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

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.