

HB5749



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5749

Introduced 11/16/2022, by Rep. Michael J. Zalewski, Margaret Croke and Edgar Gonzalez, Jr.

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-87 new

35 ILCS 110/3-72 new

Amends the Use Tax Act and the Service Use Tax Act. Creates a sustainable aviation fuel purchase credit in the amount of \$2 per gallon of sustainable aviation fuel purchased.

LRB102 27242 HLH 38941 b

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 adding Section
5 3-87 as follows:

6 (35 ILCS 105/3-87 new)

7 Sec. 3-87. Sustainable Aviation Fuel Purchase Credit.

8 (a) Beginning on or after January 1, 2023 sustainable
9 aviation fuel sold to or used by an air carrier, certified by
10 the carrier to the Department to be used for consumption,
11 shipment, or storage in the conduct of its business as an air
12 common carrier, earns a credit in an amount of \$2 per gallon of
13 sustainable aviation fuel purchased. The credit earned shall
14 be referred to the Sustainable Aviation Fuel Credit.

15 The purchaser of sustainable aviation fuel shall certify
16 to the seller of the aviation fuel that the purchaser is
17 satisfying all or part of its' liability under the Use Tax Act
18 or the Service Use Tax Act that is due on the purchase of
19 aviation fuel by use of the sustainable aviation fuel purchase
20 credit.

21 The Sustainable Aviation Fuel Purchase Credit
22 certification must be dated and shall include the name and
23 address of the purchaser, the purchaser's registration number,

1 if registered, the credit being applied, and a statement that
2 the State use tax or service use tax liability is being
3 satisfied with the air carrier's accumulated sustainable
4 aviation fuel purchase credit.

5 A Sustainable Aviation Fuel Purchase Credit certification
6 provided by the air carrier may be used to satisfy the
7 retailer's or serviceman's liability on aviation fuel under
8 the Retailers' Occupation Tax Act or Service Occupation Tax
9 Act for the credit claimed.

10 (b) As used in this Section:

11 "Sustainable aviation fuel" means liquid fuel that:

12 (1) consists of synthesized hydrocarbons and meets the
13 requirements of:

14 (A) the American Society for Testing and Materials
15 International Standard D7566; or

16 (B) the Fischer-Tropsch provisions of American
17 Society for Testing and Materials International
18 Standard D1655, Annex A1;

19 (2) is derived from biomass resources, waste streams,
20 renewable energy sources, or gaseous carbon oxides;

21 (3) is not derived from palm fatty acid distillates;
22 and

23 (4) achieves at least a 50% lifecycle greenhouse gas
24 emissions reduction in comparison with petroleum-based jet
25 fuel, as determined by a test that shows:

26 (A) that the fuel production pathway achieves at

1 least a 50% reduction of the aggregate attributional
2 core lifecycle emissions and the positive induced land
3 use change values under the lifecycle methodology for
4 sustainable aviation fuels adopted by the
5 International Civil Aviation Organization with the
6 agreement of the United States; or

7 (B) that the fuel production pathway achieves at
8 least a 50% reduction of the aggregate attributional
9 core lifecycle greenhouse gas emissions values and the
10 positive induced land use change values under another
11 methodology that the United States Secretary of
12 Energy, in consultation with the Administrator of the
13 United States Environmental Protection Agency,
14 determines is reflective of the latest scientific
15 understanding of lifecycle greenhouse gas emissions.

16 (c) This Section is exempt from the provisions of Section
17 3-90.

18 Section 10. The Service Use Tax Act is amended by adding
19 Section 3-72 as follows:

20 (35 ILCS 110/3-72 new)

21 Sec. 3-72. Sustainable Aviation Fuel Purchase Credit.

22 (a) Beginning on or after January 1, 2023 sustainable
23 aviation fuel sold to or used by an air carrier, certified by
24 the carrier to the Department to be used for consumption,

1 shipment, or storage in the conduct of its business as an air
2 common carrier, earns a credit in an amount of \$2 per gallon of
3 sustainable aviation fuel purchased. The credit earned shall
4 be referred to the Sustainable Aviation Fuel Credit.

5 The purchaser of sustainable aviation fuel shall certify
6 to the seller of the aviation fuel that the purchaser is
7 satisfying all or part of its' liability under the Use Tax Act
8 or the Service Use Tax Act that is due on the purchase of
9 aviation fuel by use of the sustainable aviation fuel purchase
10 credit.

11 The Sustainable Aviation Fuel Purchase Credit
12 certification must be dated and shall include the name and
13 address of the purchaser, the purchaser's registration number,
14 if registered, the credit being applied, and a statement that
15 the State use tax or service use tax liability is being
16 satisfied with the air carrier's accumulated sustainable
17 aviation fuel purchase credit.

18 A Sustainable Aviation Fuel Purchase Credit certification
19 provided by the air carrier may be used to satisfy the
20 retailer's or serviceman's liability on aviation fuel under
21 the Retailers' Occupation Tax Act or Service Occupation Tax
22 Act for the credit claimed.

23 (b) As used in this Section:

24 "Sustainable aviation fuel" means liquid fuel that:

25 (1) consists of synthesized hydrocarbons and meets the
26 requirements of:

1 (A) the American Society for Testing and Materials
2 International Standard D7566; or

3 (B) the Fischer-Tropsch provisions of American
4 Society for Testing and Materials International
5 Standard D1655, Annex A1;

6 (2) is derived from biomass resources, waste streams,
7 renewable energy sources, or gaseous carbon oxides;

8 (3) is not derived from palm fatty acid distillates;
9 and

10 (4) achieves at least a 50% lifecycle greenhouse gas
11 emissions reduction in comparison with petroleum-based jet
12 fuel, as determined by a test that shows:

13 (A) that the fuel production pathway achieves at
14 least a 50% reduction of the aggregate attributional
15 core lifecycle emissions and the positive induced land
16 use change values under the lifecycle methodology for
17 sustainable aviation fuels adopted by the
18 International Civil Aviation Organization with the
19 agreement of the United States; or

20 (B) that the fuel production pathway achieves at
21 least a 50% reduction of the aggregate attributional
22 core lifecycle greenhouse gas emissions values and the
23 positive induced land use change values under another
24 methodology that the United States Secretary of
25 Energy, in consultation with the Administrator of the
26 United States Environmental Protection Agency,

1 determines is reflective of the latest scientific
2 understanding of lifecycle greenhouse gas emissions.

3 (c) This Section is exempt from the provisions of Section
4 3-75.