



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2544

Introduced 2/15/2023, by Rep. Joyce Mason

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, beginning on January 1, 2024, the tax on gun safes and locks designed to secure firearms is imposed at the rate of 1%. Effective immediately.

LRB103 27004 HLH 53371 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 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
14 functionally used or consumed is a by-product or waste product
15 that has been refined, manufactured, or produced from property
16 purchased at retail, then the tax is imposed on the lower of
17 the fair market value, if any, of the specific property so used
18 in this State or on the selling price of the property purchased
19 at retail. For purposes of this Section "fair market value"
20 means the price at which property would change hands between a
21 willing buyer and a willing seller, neither being under any
22 compulsion to buy or sell and both having reasonable knowledge
23 of the relevant facts. The fair market value shall be

1 established by Illinois sales by the taxpayer of the same
2 property as that functionally used or consumed, or if there
3 are no such sales by the taxpayer, then comparable sales or
4 purchases of property of 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, and
10 beginning again on August 5, 2022 through August 14, 2022,
11 with respect to sales tax holiday items as defined in Section
12 3-6 of this Act, the tax is imposed at the rate of 1.25%.

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

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

1 With respect to biodiesel blends with no less than 1% and
2 no more than 10% biodiesel, the tax imposed by this Act applies
3 to (i) 80% of the proceeds of sales made on or after July 1,
4 2003 and on or before December 31, 2018 and (ii) 100% of the
5 proceeds of sales made after December 31, 2018 and before
6 January 1, 2024. On and after January 1, 2024 and on or before
7 December 31, 2030, the taxation of biodiesel, renewable
8 diesel, and biodiesel blends shall be as provided in Section
9 3-5.1. If, at any time, however, the tax under this Act on
10 sales of biodiesel blends with no less than 1% and no more than
11 10% biodiesel is imposed at the rate of 1.25%, then the tax
12 imposed by this Act applies to 100% of the proceeds of sales of
13 biodiesel blends with no less than 1% and no more than 10%
14 biodiesel made during that time.

15 With respect to biodiesel and biodiesel blends with more
16 than 10% but no more than 99% biodiesel, the tax imposed by
17 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. On and
19 after January 1, 2024 and on or before December 31, 2030, the
20 taxation of biodiesel, renewable diesel, and biodiesel blends
21 shall be as provided in Section 3-5.1.

22 With respect to gun safes and locks designed to secure
23 firearms, beginning on January 1, 2024, the tax is imposed at
24 the rate of 1%.

25 Until July 1, 2022 and beginning again on July 1, 2023,
26 with respect to food for human consumption that is to be

1 consumed off the premises where it is sold (other than
2 alcoholic beverages, food consisting of or infused with adult
3 use cannabis, soft drinks, and food that has been prepared for
4 immediate consumption), the tax is imposed at the rate of 1%.
5 Beginning on July 1, 2022 and until July 1, 2023, with respect
6 to food for human consumption that is to be consumed off the
7 premises where it is sold (other than alcoholic beverages,
8 food consisting of or infused with adult use cannabis, soft
9 drinks, and food that has been prepared for immediate
10 consumption), the tax is imposed at the rate of 0%.

11 With respect to prescription and nonprescription
12 medicines, drugs, medical appliances, products classified as
13 Class III medical devices by the United States Food and Drug
14 Administration that are used for cancer treatment pursuant to
15 a prescription, as well as any accessories and components
16 related to those devices, modifications to a motor vehicle for
17 the purpose of rendering it usable by a person with a
18 disability, and insulin, blood sugar testing materials,
19 syringes, and needles used by human diabetics, the tax is
20 imposed at the rate of 1%. For the purposes of this Section,
21 until September 1, 2009: the term "soft drinks" means any
22 complete, finished, ready-to-use, non-alcoholic drink, whether
23 carbonated or not, including, but not limited to, soda water,
24 cola, fruit juice, vegetable juice, carbonated water, and all
25 other preparations commonly known as soft drinks of whatever
26 kind or description that are contained in any closed or sealed

1 bottle, can, carton, or container, regardless of size; but
2 "soft drinks" does not include coffee, tea, non-carbonated
3 water, infant formula, milk or milk products as defined in the
4 Grade A Pasteurized Milk and Milk Products Act, or drinks
5 containing 50% or more natural fruit or vegetable juice.

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

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

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "food for human consumption that
26 is to be consumed off the premises where it is sold" does not

1 include candy. For purposes of this Section, "candy" means a
2 preparation of sugar, honey, or other natural or artificial
3 sweeteners in combination with chocolate, fruits, nuts or
4 other ingredients or flavorings in the form of bars, drops, or
5 pieces. "Candy" does not include any preparation that contains
6 flour or requires refrigeration.

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

- 20 (A) a ~~A~~ "Drug Facts" panel; or
21 (B) a ~~A~~ statement of the "active ingredient(s)" with a
22 list of those ingredients contained in the compound,
23 substance or preparation.

24 Beginning on January 1, 2014 (the effective date of Public
25 Act 98-122) ~~this amendatory Act of the 98th General Assembly,~~
26 "prescription and nonprescription medicines and drugs"

1 includes medical cannabis purchased from a registered
2 dispensing organization under the Compassionate Use of Medical
3 Cannabis Program Act.

4 As used in this Section, "adult use cannabis" means
5 cannabis subject to tax under the Cannabis Cultivation
6 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
7 and does not include cannabis subject to tax under the
8 Compassionate Use of Medical Cannabis Program Act.

9 If the property that is purchased at retail from a
10 retailer is acquired outside Illinois and used outside
11 Illinois before being brought to Illinois for use here and is
12 taxable under this Act, the "selling price" on which the tax is
13 computed shall be reduced by an amount that represents a
14 reasonable allowance for depreciation for the period of prior
15 out-of-state use.

16 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
17 102-4, eff. 4-27-21; 102-700, Article 20, Section 20-5, eff.
18 4-19-22; 102-700, Article 60, Section 60-15, eff. 4-19-22;
19 102-700, Article 65, Section 65-5, eff. 4-19-22; revised
20 5-27-22.)

21 Section 10. The Service Use Tax Act is amended by changing
22 Section 3-10 as follows:

23 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

24 Sec. 3-10. Rate of tax. Unless otherwise provided in this

1 Section, the tax imposed by this Act is at the rate of 6.25% of
2 the selling price of tangible personal property transferred as
3 an incident to the sale of service, but, for the purpose of
4 computing this tax, in no event shall the selling price be less
5 than the cost price of the property to the serviceman.

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

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

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

1 With respect to biodiesel blends, as defined in the Use
2 Tax Act, with no less than 1% and no more than 10% biodiesel,
3 the tax imposed by this Act applies to (i) 80% of the selling
4 price of property transferred as an incident to the sale of
5 service on or after July 1, 2003 and on or before December 31,
6 2018 and (ii) 100% of the proceeds of the selling price after
7 December 31, 2018 and before January 1, 2024. On and after
8 January 1, 2024 and on or before December 31, 2030, the
9 taxation of biodiesel, renewable diesel, and biodiesel blends
10 shall be as provided in Section 3-5.1 of the Use Tax Act. 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 biodiesel, as defined in the Use Tax Act,
18 and biodiesel blends, as defined in the Use Tax Act, with more
19 than 10% but no more than 99% biodiesel, the tax imposed by
20 this Act does not apply to the proceeds of the selling price of
21 property transferred as an incident to the sale of service on
22 or after July 1, 2003 and on or before December 31, 2023. On
23 and after January 1, 2024 and on or before December 31, 2030,
24 the taxation of biodiesel, renewable diesel, and biodiesel
25 blends shall be as provided in Section 3-5.1 of the Use Tax
26 Act.

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

11 With respect to gun safes and locks designed to secure
12 firearms, beginning on January 1, 2024, the tax is imposed at
13 the rate of 1%.

14 Until July 1, 2022 and beginning again on July 1, 2023, the
15 tax shall be imposed at the rate of 1% on food prepared for
16 immediate consumption and transferred incident to a sale of
17 service subject to this Act or the Service Occupation Tax Act
18 by an entity licensed under the Hospital Licensing Act, the
19 Nursing Home Care Act, the Assisted Living and Shared Housing
20 Act, the ID/DD Community Care Act, the MC/DD Act, the
21 Specialized Mental Health Rehabilitation Act of 2013, or the
22 Child Care Act of 1969, or an entity that holds a permit issued
23 pursuant to the Life Care Facilities Act. Until July 1, 2022
24 and beginning again on July 1, 2023, the tax shall also be
25 imposed at the rate of 1% on food for human consumption that is
26 to be consumed off the premises where it is sold (other than

1 alcoholic beverages, food consisting of or infused with adult
2 use cannabis, soft drinks, and food that has been prepared for
3 immediate consumption and is not otherwise included in this
4 paragraph).

5 Beginning on July 1, 2022 and until July 1, 2023, the tax
6 shall be imposed at the rate of 0% on food prepared for
7 immediate consumption and transferred incident to a sale of
8 service subject to this Act or the Service Occupation Tax Act
9 by an entity licensed under the Hospital Licensing Act, the
10 Nursing Home Care Act, the Assisted Living and Shared Housing
11 Act, the ID/DD Community Care Act, the MC/DD Act, the
12 Specialized Mental Health Rehabilitation Act of 2013, or the
13 Child Care Act of 1969, or an entity that holds a permit issued
14 pursuant to the Life Care Facilities Act. Beginning on July 1,
15 2022 and until July 1, 2023, the tax shall also be imposed at
16 the rate of 0% on food for human consumption that is to be
17 consumed off the premises where it is sold (other than
18 alcoholic beverages, food consisting of or infused with adult
19 use cannabis, soft drinks, and food that has been prepared for
20 immediate consumption and is not otherwise included in this
21 paragraph).

22 The tax shall also be imposed at the rate of 1% on
23 prescription and nonprescription medicines, drugs, medical
24 appliances, products classified as Class III medical devices
25 by the United States Food and Drug Administration that are
26 used for cancer treatment pursuant to a prescription, as well

1 as any accessories and components related to those devices,
2 modifications to a motor vehicle for the purpose of rendering
3 it usable by a person with a disability, and insulin, blood
4 sugar testing materials, syringes, and needles used by human
5 diabetics. For the purposes of this Section, until September
6 1, 2009: the term "soft drinks" means any complete, finished,
7 ready-to-use, non-alcoholic drink, whether carbonated or not,
8 including, but not limited to, soda water, cola, fruit juice,
9 vegetable juice, carbonated water, and all other preparations
10 commonly known as soft drinks of whatever kind or description
11 that are contained in any closed or sealed bottle, can,
12 carton, or container, regardless of size; but "soft drinks"
13 does not include coffee, tea, non-carbonated water, infant
14 formula, milk or milk products as defined in the Grade A
15 Pasteurized Milk and Milk Products Act, or drinks containing
16 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" does ~~do~~ not include beverages that contain milk or
21 milk products, soy, rice or similar milk substitutes, or
22 greater 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
15 other 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 CFR ~~C.F.R.~~ § 201.66. The
4 "over-the-counter-drug" label includes:

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

6 (B) a ~~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 January 1, 2014 (the effective date of Public
10 Act 98-122), "prescription and nonprescription medicines and
11 drugs" includes medical cannabis purchased from a registered
12 dispensing organization under the Compassionate Use of Medical
13 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
17 and does not include cannabis subject to tax under the
18 Compassionate Use of Medical Cannabis Program Act.

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

26 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;

1 102-4, eff. 4-27-21; 102-16, eff. 6-17-21; 102-700, Article
2 20, Section 20-10, eff. 4-19-22; 102-700, Article 60, Section
3 60-20, eff. 4-19-22; revised 6-1-22.)

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

6 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

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

5 With respect to gasohol, as defined in the Use Tax Act, the
6 tax imposed by this Act shall apply to (i) 70% of the cost
7 price of property transferred as an incident to the sale of
8 service on or after January 1, 1990, and before July 1, 2003,
9 (ii) 80% of the selling price of property transferred as an
10 incident to the sale of service on or after July 1, 2003 and on
11 or before July 1, 2017, and (iii) 100% of the cost price
12 thereafter. If, at any time, however, the tax under this Act on
13 sales of gasohol, as defined in the Use Tax Act, is imposed at
14 the rate of 1.25%, then the tax imposed by this Act applies to
15 100% of the proceeds of sales of gasohol made during that time.

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

22 With respect to gun safes and locks designed to secure
23 firearms, beginning on January 1, 2024, the tax is imposed at
24 the rate of 1%.

25 With respect to biodiesel blends, as defined in the Use
26 Tax Act, with no less than 1% and no more than 10% biodiesel,

1 the tax imposed by this Act applies to (i) 80% of the selling
2 price of property transferred as an incident to the sale of
3 service on or after July 1, 2003 and on or before December 31,
4 2018 and (ii) 100% of the proceeds of the selling price after
5 December 31, 2018 and before January 1, 2024. On and after
6 January 1, 2024 and on or before December 31, 2030, the
7 taxation of biodiesel, renewable diesel, and biodiesel blends
8 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
9 at any time, however, the tax under this Act on sales of
10 biodiesel blends, as defined in the Use Tax Act, with no less
11 than 1% and no more than 10% biodiesel is imposed at the rate
12 of 1.25%, then the tax imposed by this Act applies to 100% of
13 the proceeds of sales of biodiesel blends with no less than 1%
14 and no more than 10% biodiesel made during that time.

15 With respect to biodiesel, as defined in the Use Tax Act,
16 and biodiesel blends, as defined in the Use Tax Act, with more
17 than 10% but no more than 99% biodiesel material, the tax
18 imposed by this Act does not apply to the proceeds of the
19 selling price of property transferred as an incident to the
20 sale of service on or after July 1, 2003 and on or before
21 December 31, 2023. On and after January 1, 2024 and on or
22 before December 31, 2030, the taxation of biodiesel, renewable
23 diesel, and biodiesel blends shall be as provided in Section
24 3-5.1 of the Use Tax Act.

25 At the election of any registered serviceman made for each
26 fiscal year, sales of service in which the aggregate annual

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

9 Until July 1, 2022 and beginning again on July 1, 2023, the
10 tax shall be imposed at the rate of 1% on food prepared for
11 immediate consumption and transferred incident to a sale of
12 service subject to this Act or the Service Use Tax Act by an
13 entity licensed under the Hospital Licensing Act, the Nursing
14 Home Care Act, the Assisted Living and Shared Housing Act, the
15 ID/DD Community Care Act, the MC/DD Act, the Specialized
16 Mental Health Rehabilitation Act of 2013, or the Child Care
17 Act of 1969, or an entity that holds a permit issued pursuant
18 to the Life Care Facilities Act. Until July 1, 2022 and
19 beginning again on July 1, 2023, the tax shall also be imposed
20 at the rate of 1% on food for human consumption that is to be
21 consumed off the premises where it is sold (other than
22 alcoholic beverages, food consisting of or infused with adult
23 use cannabis, soft drinks, and food that has been prepared for
24 immediate consumption and is not otherwise included in this
25 paragraph).

26 Beginning on July 1, 2022 and until July 1, 2023, the tax

1 shall be imposed at the rate of 0% on food prepared for
2 immediate consumption and transferred incident to a sale of
3 service subject to this Act or the Service Use Tax Act by an
4 entity licensed under the Hospital Licensing Act, the Nursing
5 Home Care Act, the Assisted Living and Shared Housing Act, the
6 ID/DD Community Care Act, the MC/DD Act, the Specialized
7 Mental Health Rehabilitation Act of 2013, or the Child Care
8 Act of 1969, or an entity that holds a permit issued pursuant
9 to the Life Care Facilities Act. Beginning July 1, 2022 and
10 until July 1, 2023, the tax shall also be imposed at the rate
11 of 0% on food for human consumption that is to be consumed off
12 the premises where it is sold (other than alcoholic beverages,
13 food consisting of or infused with adult use cannabis, soft
14 drinks, and food that has been prepared for immediate
15 consumption and is not otherwise included in this paragraph).

16 The tax shall also be imposed at the rate of 1% on
17 prescription and nonprescription medicines, drugs, medical
18 appliances, products classified as Class III medical devices
19 by the United States Food and Drug Administration that are
20 used for cancer treatment pursuant to a prescription, as well
21 as any accessories and components related to those devices,
22 modifications to a motor vehicle for the purpose of rendering
23 it usable by a person with a disability, and insulin, blood
24 sugar testing materials, syringes, and needles used by human
25 diabetics. For the purposes of this Section, until September
26 1, 2009: the term "soft drinks" means any complete, finished,

1 ready-to-use, non-alcoholic drink, whether carbonated or not,
2 including, but not limited to, soda water, cola, fruit juice,
3 vegetable juice, carbonated water, and all other preparations
4 commonly known as soft drinks of whatever kind or description
5 that are contained in any closed or sealed can, carton, or
6 container, regardless of size; but "soft drinks" does not
7 include coffee, tea, non-carbonated water, infant formula,
8 milk or milk products as defined in the Grade A Pasteurized
9 Milk and Milk Products Act, or drinks containing 50% or more
10 natural fruit or vegetable juice.

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

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

1 products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine.

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

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

25 (A) a ~~A~~ "Drug Facts" panel; or

26 (B) a ~~A~~ statement of the "active ingredient(s)" with a

1 list of those ingredients contained in the compound,
2 substance or preparation.

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

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

13 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
14 102-4, eff. 4-27-21; 102-16, eff. 6-17-21; 102-700, Article
15 20, Section 20-15, eff. 4-19-22; 102-700, Article 60, Section
16 60-25, eff. 4-19-22; revised 6-1-22.)

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

19 (35 ILCS 120/2-10)

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

24 Beginning on July 1, 2000 and through December 31, 2000,

1 with respect to motor fuel, as defined in Section 1.1 of the
2 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
3 the Use Tax Act, the tax is imposed at the rate of 1.25%.

4 Beginning on August 6, 2010 through August 15, 2010, and
5 beginning again on August 5, 2022 through August 14, 2022,
6 with respect to sales tax holiday items as defined in Section
7 2-8 of this Act, the tax is imposed at the rate of 1.25%.

8 Within 14 days after July 1, 2000 (the effective date of
9 Public Act 91-872) ~~this amendatory Act of the 91st General~~
10 ~~Assembly~~, each retailer of motor fuel and gasohol shall cause
11 the following notice to be posted in a prominently visible
12 place on each retail dispensing device that is used to
13 dispense motor fuel or gasohol in the State of Illinois: "As of
14 July 1, 2000, the State of Illinois has eliminated the State's
15 share of sales tax on motor fuel and gasohol through December
16 31, 2000. The price on this pump should reflect the
17 elimination of the tax." The notice shall be printed in bold
18 print on a sign that is no smaller than 4 inches by 8 inches.
19 The sign shall be clearly visible to customers. Any retailer
20 who fails to post or maintain a required sign through December
21 31, 2000 is guilty of a petty offense for which the fine shall
22 be \$500 per day per each retail premises where a violation
23 occurs.

24 With respect to gasohol, as defined in the Use Tax Act, the
25 tax imposed by this Act applies to (i) 70% of the proceeds of
26 sales made on or after January 1, 1990, and before July 1,

1 2003, (ii) 80% of the proceeds of sales made on or after July
2 1, 2003 and on or before July 1, 2017, and (iii) 100% of the
3 proceeds of sales made thereafter. If, at any time, however,
4 the tax under this Act on sales of gasohol, as defined in the
5 Use Tax Act, is imposed at the rate of 1.25%, then the tax
6 imposed by this Act applies to 100% of the proceeds of sales of
7 gasohol made during that time.

8 With respect to majority blended ethanol fuel, as defined
9 in the Use Tax Act, the tax imposed by this Act does not apply
10 to the proceeds of sales made on or after July 1, 2003 and on
11 or before December 31, 2023 but applies to 100% of the proceeds
12 of sales made thereafter.

13 With respect to biodiesel blends, as defined in the Use
14 Tax Act, with no less than 1% and no more than 10% biodiesel,
15 the tax imposed by this Act applies to (i) 80% of the proceeds
16 of sales made on or after July 1, 2003 and on or before
17 December 31, 2018 and (ii) 100% of the proceeds of sales made
18 after December 31, 2018 and before January 1, 2024. On and
19 after January 1, 2024 and on or before December 31, 2030, the
20 taxation of biodiesel, renewable diesel, and biodiesel blends
21 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
22 at any time, however, the tax under this Act on sales of
23 biodiesel blends, as defined in the Use Tax Act, with no less
24 than 1% and no more than 10% biodiesel is imposed at the rate
25 of 1.25%, then the tax imposed by this Act applies to 100% of
26 the proceeds of sales of biodiesel blends with no less than 1%

1 and no more than 10% biodiesel made during that time.

2 With respect to biodiesel, as defined in the Use Tax Act,
3 and biodiesel blends, as defined in the Use Tax Act, with more
4 than 10% but no more than 99% biodiesel, the tax imposed by
5 this Act does not apply to the proceeds of sales made on or
6 after July 1, 2003 and on or before December 31, 2023. On and
7 after January 1, 2024 and on or before December 31, 2030, the
8 taxation of biodiesel, renewable diesel, and biodiesel blends
9 shall be as provided in Section 3-5.1 of the Use Tax Act.

10 With respect to gun safes and locks designed to secure
11 firearms, beginning on January 1, 2024, the tax is imposed at
12 the rate of 1%.

13 Until July 1, 2022 and beginning again on July 1, 2023,
14 with respect to food for human consumption that is to be
15 consumed off the premises where it is sold (other than
16 alcoholic beverages, food consisting of or infused with adult
17 use cannabis, soft drinks, and food that has been prepared for
18 immediate consumption), the tax is imposed at the rate of 1%.
19 Beginning July 1, 2022 and until July 1, 2023, with respect to
20 food for human consumption that is to be consumed off the
21 premises where it is sold (other than alcoholic beverages,
22 food consisting of or infused with adult use cannabis, soft
23 drinks, and food that has been prepared for immediate
24 consumption), the tax is imposed at the rate of 0%.

25 With respect to prescription and nonprescription
26 medicines, drugs, medical appliances, products classified as

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

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

26 Until August 1, 2009, and notwithstanding any other

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

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

21 Notwithstanding any other provisions of this Act,
22 beginning September 1, 2009, "nonprescription medicines and
23 drugs" does not include grooming and hygiene products. For
24 purposes of this Section, "grooming and hygiene products"
25 includes, but is not limited to, soaps and cleaning solutions,
26 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan

1 lotions and screens, unless those products are available by
2 prescription only, regardless of whether the products meet the
3 definition of "over-the-counter-drugs". For the purposes of
4 this paragraph, "over-the-counter-drug" means a drug for human
5 use that contains a label that identifies the product as a drug
6 as required by 21 CFR ~~C.F.R. §~~ 201.66. The
7 "over-the-counter-drug" label includes:

8 (A) a ~~A~~ "Drug Facts" panel; or

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

12 Beginning on January 1, 2014 (the effective date of Public
13 Act 98-122) ~~this amendatory Act of the 98th General Assembly,~~
14 "prescription and nonprescription medicines and drugs"
15 includes medical cannabis purchased from a registered
16 dispensing organization under the Compassionate Use of Medical
17 Cannabis Program Act.

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

23 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
24 102-4, eff. 4-27-21; 102-700, Article 20, Section 20-20, eff.
25 4-19-22; 102-700, Article 60, Section 60-30, eff. 4-19-22;
26 102-700, Article 65, Section 65-10, eff. 4-19-22; revised

1 6-1-22.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.