



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 2/6/2004, by Tom Cross

SYNOPSIS AS INTRODUCED:

35 ILCS 120/2-10

from Ch. 120, par. 441-10

Amends the Retailers' Occupation Tax Act by making a technical change in the Section concerning the rate of the tax.

LRB093 17497 SJM 43166 b

1 AN ACT concerning taxes.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Retailers' Occupation Tax Act is amended by
5 changing Section 2-10 as follows:

6 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

7 Sec. 2-10. 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 gross receipts from the sale ~~sales~~ of tangible personal
10 property made in the course of business.

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

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

30 With respect to gasohol, as defined in the Use Tax Act, the
31 tax imposed by this Act applies to (i) 70% of the proceeds of
32 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 December 31, 2013, and (iii) 100% of
3 the proceeds of sales made thereafter. If, at any time,
4 however, the tax under this Act on sales of gasohol, as defined
5 in the Use Tax Act, is imposed at the rate of 1.25%, then the
6 tax imposed by this Act applies to 100% of the proceeds of
7 sales of 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 or
11 before December 31, 2013 but applies to 100% of the proceeds of
12 sales made thereafter.

13 With respect to biodiesel blends, as defined in the Use Tax
14 Act, with no less than 1% and no more than 10% biodiesel, the
15 tax imposed by this Act applies to (i) 80% of the proceeds of
16 sales made on or after July 1, 2003 and on or before December
17 31, 2013 and (ii) 100% of the proceeds of sales made
18 thereafter. If, at any time, however, the tax under this Act on
19 sales of biodiesel blends, as defined in the Use Tax Act, with
20 no less than 1% and no more than 10% biodiesel is imposed at
21 the rate of 1.25%, then the tax imposed by this Act applies to
22 100% of the proceeds of sales of biodiesel blends with no less
23 than 1% and no more than 10% biodiesel made during that time.

24 With respect to 100% biodiesel, as defined in the Use Tax
25 Act, and biodiesel blends, as defined in the Use Tax Act, with
26 more than 10% but no more than 99% biodiesel, the tax imposed
27 by this Act does not apply to the proceeds of sales made on or
28 after July 1, 2003 and on or before December 31, 2013 but
29 applies to 100% of the proceeds of sales made thereafter.

30 With respect to food for human consumption that is to be
31 consumed off the premises where it is sold (other than
32 alcoholic beverages, soft drinks, and food that has been
33 prepared for immediate consumption) and prescription and
34 nonprescription medicines, drugs, medical appliances,
35 modifications to a motor vehicle for the purpose of rendering
36 it usable by a disabled person, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human
2 use, the tax is imposed at the rate of 1%. For the purposes of
3 this Section, the term "soft drinks" means any complete,
4 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. "Soft
10 drinks" does not include coffee, tea, non-carbonated water,
11 infant formula, milk or milk products as defined in the Grade A
12 Pasteurized Milk and Milk Products Act, or drinks containing
13 50% or more natural fruit or vegetable juice.

14 Notwithstanding any other provisions of this Act, "food for
15 human consumption that is to be consumed off the premises where
16 it is sold" includes all food sold through a vending machine,
17 except soft drinks and food products that are dispensed hot
18 from a vending machine, regardless of the location of the
19 vending machine.

20 (Source: P.A. 93-17, eff. 6-11-03.)