

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. If and only if both Senate Bill 1212 and
5 House Bill 46 of the 93rd General Assembly become law, then
6 the Use Tax Act is amended by changing Section 3-10 and by
7 adding Sections 3-41, 3-42, 3-43, 3-44, and 3-44.5 as
8 follows:

9 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

10 Sec. 3-10. Rate of tax. Unless otherwise provided in
11 this Section, the tax imposed by this Act is at the rate of
12 6.25% of either the selling price or the fair market value,
13 if any, of the tangible personal property. In all cases
14 where property functionally used or consumed is the same as
15 the property that was purchased at retail, then the tax is
16 imposed on the selling price of the property. In all cases
17 where property functionally used or consumed is a by-product
18 or waste product that has been refined, manufactured, or
19 produced from property purchased at retail, then the tax is
20 imposed on the lower of the fair market value, if any, of the
21 specific property so used in this State or on the selling
22 price of the property purchased at retail. For purposes of
23 this Section "fair market value" means the price at which
24 property would change hands between a willing buyer and a
25 willing seller, neither being under any compulsion to buy or
26 sell and both having reasonable knowledge of the relevant
27 facts. The fair market value shall be established by Illinois
28 sales by the taxpayer of the same property as that
29 functionally used or consumed, or if there are no such sales
30 by the taxpayer, then comparable sales or purchases of
31 property of like kind and character in Illinois.

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
4 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

5 With respect to gasohol, the tax imposed by this Act
6 applies to (i) 70% of the proceeds of sales made on or after
7 January 1, 1990, and before July 1, 2003, (ii) 80% of the
8 proceeds of sales made on or after July 1, 2003 and on or
9 before December 31, 2013, and (iii) to 100% of the proceeds
10 of sales made thereafter. If, at any time, however, the tax
11 under this Act on sales of gasohol is imposed at the rate of
12 1.25%, then the tax imposed by this Act applies to 100% of
13 the proceeds of sales of gasohol made during that time.

14 With respect to majority blended ethanol fuel, the tax
15 imposed by this Act does not apply to the proceeds of sales
16 made on or after July 1, 2003 and on or before December 31,
17 2013 but applies to 100% of the proceeds of sales made
18 thereafter.

19 With respect to biodiesel blends with no less than 1% and
20 no more than 10% biodiesel, the tax imposed by this Act
21 applies to (i) 80% of the proceeds of sales made on or after
22 July 1, 2003 and on or before December 31, 2013 and (ii) 100%
23 of the proceeds of sales made thereafter. If, at any time,
24 however, the tax under this Act on sales of biodiesel blends
25 with no less than 1% and no more than 10% biodiesel is
26 imposed at the rate of 1.25%, then the tax imposed by this
27 Act applies to 100% of the proceeds of sales of biodiesel
28 blends with no less than 1% and no more than 10% biodiesel
29 made during that time.

30 With respect to 100% biodiesel and biodiesel blends with
31 more than 10% but no more than 99% biodiesel, the tax imposed
32 by this Act does not apply to the proceeds of sales made on
33 or after July 1, 2003 and on or before December 31, 2013 but
34 applies to 100% of the proceeds of sales made thereafter.

1 With respect to food for human consumption that is to be
2 consumed off the premises where it is sold (other than
3 alcoholic beverages, soft drinks, and food that has been
4 prepared for immediate consumption) and prescription and
5 nonprescription medicines, drugs, medical appliances,
6 modifications to a motor vehicle for the purpose of rendering
7 it usable by a disabled person, and insulin, urine testing
8 materials, syringes, and needles used by diabetics, for human
9 use, the tax is imposed at the rate of 1%. For the purposes
10 of this Section, the term "soft drinks" means any complete,
11 finished, ready-to-use, non-alcoholic drink, whether
12 carbonated or not, including but not limited to soda water,
13 cola, fruit juice, vegetable juice, carbonated water, and all
14 other preparations commonly known as soft drinks of whatever
15 kind or description that are contained in any closed or
16 sealed bottle, can, carton, or container, regardless of size.
17 "Soft drinks" does not include coffee, tea, non-carbonated
18 water, infant formula, milk or milk products as defined in
19 the Grade A Pasteurized Milk and Milk Products Act, or drinks
20 containing 50% or more natural fruit or vegetable juice.

21 Notwithstanding any other provisions of this Act, "food
22 for human consumption that is to be consumed off the premises
23 where it is sold" includes all food sold through a vending
24 machine, except soft drinks and food products that are
25 dispensed hot from a vending machine, regardless of the
26 location of the vending machine.

27 If the property that is purchased at retail from a
28 retailer is acquired outside Illinois and used outside
29 Illinois before being brought to Illinois for use here and is
30 taxable under this Act, the "selling price" on which the tax
31 is computed shall be reduced by an amount that represents a
32 reasonable allowance for depreciation for the period of prior
33 out-of-state use.

34 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;

1 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

2 (35 ILCS 105/3-41 new)

3 Sec. 3-41. Biodiesel. "Biodiesel" means a renewable
4 diesel fuel derived from biomass that is intended for use in
5 diesel engines.

6 (35 ILCS 105/3-42 new)

7 Sec. 3-42. Biodiesel blend. "Biodiesel blend" means a
8 blend of biodiesel with petroleum-based diesel fuel in which
9 the resultant product contains no less than 1% and no more
10 than 99% biodiesel.

11 (35 ILCS 105/3-43 new)

12 Sec. 3-43. Biomass. "Biomass" means non-fossil organic
13 materials that have an intrinsic chemical energy content.
14 "Biomass" includes, but is not limited to, soybean oil, other
15 vegetable oils, and ethanol.

16 (35 ILCS 105/3-44 new)

17 Sec. 3-44. Majority blended ethanol fuel. "Majority
18 blended ethanol fuel" means motor fuel that contains not less
19 than 70% and no more than 90% denatured ethanol and no less
20 than 10% and no more than 30% gasoline.

21 (35 ILCS 105/3-44.5 new)

22 Sec. 3-44.5. Diesel fuel. "Diesel fuel" means any
23 product intended for use or offered for sale as a fuel for
24 engines in which the fuel is injected into the combustion
25 chamber and ignited by pressure without electric spark.

26 Section 10. If and only if both Senate Bill 1212 and
27 House Bill 46 of the 93rd General Assembly become law, then
28 the Service Use Tax Act is amended by changing Section 3-10

1 as follows:

2 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

3 Sec. 3-10. Rate of tax. Unless otherwise provided in
4 this Section, the tax imposed by this Act is at the rate of
5 6.25% of the selling price of tangible personal property
6 transferred as an incident to the sale of service, but, for
7 the purpose of computing this tax, in no event shall the
8 selling price be less than the cost price of the property to
9 the serviceman.

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

14 With respect to gasohol, as defined in the Use Tax Act,
15 the tax imposed by this Act applies to (i) 70% of the selling
16 price of property transferred as an incident to the sale of
17 service on or after January 1, 1990, and before July 1, 2003,
18 (ii) 80% of the selling price of property transferred as an
19 incident to the sale of service on or after July 1, 2003 and
20 on or before December 31, 2013, and (iii) to 100% of the
21 selling price thereafter. If, at any time, however, the tax
22 under this Act on sales of gasohol, as defined in the Use Tax
23 Act, is imposed at the rate of 1.25%, then the tax imposed by
24 this Act applies to 100% of the proceeds of sales of gasohol
25 made during that time.

26 With respect to majority blended ethanol fuel, as defined
27 in the Use Tax Act, the tax imposed by this Act does not
28 apply to the selling price of property transferred as an
29 incident to the sale of service on or after July 1, 2003 and
30 on or before December 31, 2013 but applies to 100% of the
31 selling price thereafter.

32 With respect to biodiesel blends, as defined in the Use
33 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
4 31, 2013 and (ii) 100% of the proceeds of the selling price
5 thereafter. If, at any time, however, the tax under this Act
6 on sales of biodiesel blends, as defined in the Use Tax Act,
7 with no less than 1% and no more than 10% biodiesel is
8 imposed at the rate of 1.25%, then the tax imposed by this
9 Act applies to 100% of the proceeds of sales of biodiesel
10 blends with no less than 1% and no more than 10% biodiesel
11 made during that time.

12 With respect to 100% biodiesel, as defined in the Use Tax
13 Act, and biodiesel blends, as defined in the Use Tax Act,
14 with more than 10% but no more than 99% biodiesel, the tax
15 imposed by this Act does not apply to the proceeds of the
16 selling price of property transferred as an incident to the
17 sale of service on or after July 1, 2003 and on or before
18 December 31, 2013 but applies to 100% of the selling price
19 thereafter.

20 At the election of any registered serviceman made for
21 each fiscal year, sales of service in which the aggregate
22 annual cost price of tangible personal property transferred
23 as an incident to the sales of service is less than 35%, or
24 75% in the case of servicemen transferring prescription drugs
25 or servicemen engaged in graphic arts production, of the
26 aggregate annual total gross receipts from all sales of
27 service, the tax imposed by this Act shall be based on the
28 serviceman's cost price of the tangible personal property
29 transferred as an incident to the sale of those services.

30 The tax shall be imposed at the rate of 1% on food
31 prepared for immediate consumption and transferred incident
32 to a sale of service subject to this Act or the Service
33 Occupation Tax Act by an entity licensed under the Hospital
34 Licensing Act, the Nursing Home Care Act, or the Child Care

1 Act of 1969. The tax shall also be imposed at the rate of 1%
2 on food for human consumption that is to be consumed off the
3 premises where it is sold (other than alcoholic beverages,
4 soft drinks, and food that has been prepared for immediate
5 consumption and is not otherwise included in this paragraph)
6 and prescription and nonprescription medicines, drugs,
7 medical appliances, modifications to a motor vehicle for the
8 purpose of rendering it usable by a disabled person, and
9 insulin, urine testing materials, syringes, and needles used
10 by diabetics, for human use. For the purposes of this
11 Section, the term "soft drinks" means any complete, finished,
12 ready-to-use, non-alcoholic drink, whether carbonated or not,
13 including but not limited to soda water, cola, fruit juice,
14 vegetable juice, carbonated water, and all other preparations
15 commonly known as soft drinks of whatever kind or description
16 that are contained in any closed or sealed bottle, can,
17 carton, or container, regardless of size. "Soft drinks" does
18 not include coffee, tea, non-carbonated water, infant
19 formula, milk or milk products as defined in the Grade A
20 Pasteurized Milk and Milk Products Act, or drinks containing
21 50% or more natural fruit or vegetable juice.

22 Notwithstanding any other provisions of this Act, "food
23 for human consumption that is to be consumed off the premises
24 where it is sold" includes all food sold through a vending
25 machine, except soft drinks and food products that are
26 dispensed hot from a vending machine, regardless of the
27 location of the vending machine.

28 If the property that is acquired from a serviceman is
29 acquired outside Illinois and used outside Illinois before
30 being brought to Illinois for use here and is taxable under
31 this Act, the "selling price" on which the tax is computed
32 shall be reduced by an amount that represents a reasonable
33 allowance for depreciation for the period of prior
34 out-of-state use.

1 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
2 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.
3 7-1-00.)

4 Section 15. If and only if both Senate Bill 1212 and
5 House Bill 46 of the 93rd General Assembly become law, then
6 the Service Occupation Tax Act is amended by changing Section
7 3-10 as follows:

8 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

9 Sec. 3-10. Rate of tax. Unless otherwise provided in
10 this Section, the tax imposed by this Act is at the rate of
11 6.25% of the "selling price", as defined in Section 2 of the
12 Service Use Tax Act, of the tangible personal property. For
13 the purpose of computing this tax, in no event shall the
14 "selling price" be less than the cost price to the serviceman
15 of the tangible personal property transferred. The selling
16 price of each item of tangible personal property transferred
17 as an incident of a sale of service may be shown as a
18 distinct and separate item on the serviceman's billing to the
19 service customer. If the selling price is not so shown, the
20 selling price of the tangible personal property is deemed to
21 be 50% of the serviceman's entire billing to the service
22 customer. When, however, a serviceman contracts to design,
23 develop, and produce special order machinery or equipment,
24 the tax imposed by this Act shall be based on the
25 serviceman's cost price of the tangible personal property
26 transferred incident to the completion of the contract.

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

31 With respect to gasohol, as defined in the Use Tax Act,
32 the tax imposed by this Act shall apply to (i) 70% of the

1 cost price of property transferred as an incident to the sale
2 of service on or after January 1, 1990, and before July 1,
3 2003, (ii) 80% of the selling price of property transferred
4 as an incident to the sale of service on or after July 1,
5 2003 and on or before December 31, 2013, and (iii) to 100% of
6 the cost price thereafter. If, at any time, however, the tax
7 under this Act on sales of gasohol, as defined in the Use Tax
8 Act, is imposed at the rate of 1.25%, then the tax imposed by
9 this Act applies to 100% of the proceeds of sales of gasohol
10 made during that time.

11 With respect to majority blended ethanol fuel, as defined
12 in the Use Tax Act, the tax imposed by this Act does not
13 apply to the selling price of property transferred as an
14 incident to the sale of service on or after July 1, 2003 and
15 on or before December 31, 2013 but applies to 100% of the
16 selling price thereafter.

17 With respect to biodiesel blends, as defined in the Use
18 Tax Act, with no less than 1% and no more than 10% biodiesel,
19 the tax imposed by this Act applies to (i) 80% of the selling
20 price of property transferred as an incident to the sale of
21 service on or after July 1, 2003 and on or before December
22 31, 2013 and (ii) 100% of the proceeds of the selling price
23 thereafter. If, at any time, however, the tax under this Act
24 on sales of biodiesel blends, as defined in the Use Tax Act,
25 with no less than 1% and no more than 10% biodiesel is
26 imposed at the rate of 1.25%, then the tax imposed by this
27 Act applies to 100% of the proceeds of sales of biodiesel
28 blends with no less than 1% and no more than 10% biodiesel
29 made during that time.

30 With respect to 100% biodiesel, as defined in the Use Tax
31 Act, and biodiesel blends, as defined in the Use Tax Act,
32 with more than 10% but no more than 99% biodiesel material,
33 the tax imposed by this Act does not apply to the proceeds of
34 the selling price of property transferred as an incident to

1 the sale of service on or after July 1, 2003 and on or before
2 December 31, 2013 but applies to 100% of the selling price
3 thereafter.

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

14 The tax shall be imposed at the rate of 1% on food
15 prepared for immediate consumption and transferred incident
16 to a sale of service subject to this Act or the Service
17 Occupation Tax Act by an entity licensed under the Hospital
18 Licensing Act, the Nursing Home Care Act, or the Child Care
19 Act of 1969. The tax shall also be imposed at the rate of 1%
20 on food for human consumption that is to be consumed off the
21 premises where it is sold (other than alcoholic beverages,
22 soft drinks, and food that has been prepared for immediate
23 consumption and is not otherwise included in this paragraph)
24 and prescription and nonprescription medicines, drugs,
25 medical appliances, modifications to a motor vehicle for the
26 purpose of rendering it usable by a disabled person, and
27 insulin, urine testing materials, syringes, and needles used
28 by diabetics, for human use. For the purposes of this
29 Section, the term "soft drinks" means any complete, finished,
30 ready-to-use, non-alcoholic drink, whether carbonated or not,
31 including but not limited to soda water, cola, fruit juice,
32 vegetable juice, carbonated water, and all other preparations
33 commonly known as soft drinks of whatever kind or description
34 that are contained in any closed or sealed can, carton, or

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

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

12 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
13 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

14 Section 20. If and only if both Senate Bill 1212 and
15 House Bill 46 of the 93rd General Assembly become law, then
16 the Retailers' Occupation Tax Act is amended by changing
17 Section 2-10 as follows:

18 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

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

27 Within 14 days after the effective date of this
28 amendatory Act of the 91st General Assembly, each retailer of
29 motor fuel and gasohol shall cause the following notice to be
30 posted in a prominently visible place on each retail
31 dispensing device that is used to dispense motor fuel or
32 gasohol in the State of Illinois: "As of July 1, 2000, the

1 State of Illinois has eliminated the State's share of sales
2 tax on motor fuel and gasohol through December 31, 2000. The
3 price on this pump should reflect the elimination of the
4 tax." The notice shall be printed in bold print on a sign
5 that is no smaller than 4 inches by 8 inches. The sign shall
6 be clearly visible to customers. Any retailer who fails to
7 post or maintain a required sign through December 31, 2000 is
8 guilty of a petty offense for which the fine shall be \$500
9 per day per each retail premises where a violation occurs.

10 With respect to gasohol, as defined in the Use Tax Act,
11 the tax imposed by this Act applies to (i) 70% of the
12 proceeds of sales made on or after January 1, 1990, and
13 before July 1, 2003, (ii) 80% of the proceeds of sales made
14 on or after July 1, 2003 and on or before December 31, 2013,
15 and (iii) to 100% of the proceeds of sales made thereafter.
16 If, at any time, however, the tax under this Act on sales of
17 gasohol, as defined in the Use Tax Act, is imposed at the
18 rate of 1.25%, then the tax imposed by this Act applies to
19 100% of the proceeds of sales of gasohol made during that
20 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
23 apply to the proceeds of sales made on or after July 1, 2003
24 and on or before December 31, 2013 but applies to 100% of the
25 proceeds of sales made thereafter.

26 With respect to biodiesel blends, as defined in the Use
27 Tax Act, with no less than 1% and no more than 10% biodiesel,
28 the tax imposed by this Act applies to (i) 80% of the
29 proceeds of sales made on or after July 1, 2003 and on or
30 before December 31, 2013 and (ii) 100% of the proceeds of
31 sales made thereafter. If, at any time, however, the tax
32 under this Act on sales of biodiesel blends, as defined in
33 the Use Tax Act, with no less than 1% and no more than 10%
34 biodiesel is imposed at the rate of 1.25%, then the tax

1 imposed by this Act applies to 100% of the proceeds of sales
2 of biodiesel blends with no less than 1% and no more than 10%
3 biodiesel made during that time.

4 With respect to 100% biodiesel, as defined in the Use Tax
5 Act, and biodiesel blends, as defined in the Use Tax Act,
6 with more than 10% but no more than 99% biodiesel, the tax
7 imposed by this Act does not apply to the proceeds of sales
8 made on or after July 1, 2003 and on or before December 31,
9 2013 but applies to 100% of the proceeds of sales made
10 thereafter.

11 With respect to food for human consumption that is to be
12 consumed off the premises where it is sold (other than
13 alcoholic beverages, soft drinks, and food that has been
14 prepared for immediate consumption) and prescription and
15 nonprescription medicines, drugs, medical appliances,
16 modifications to a motor vehicle for the purpose of rendering
17 it usable by a disabled person, and insulin, urine testing
18 materials, syringes, and needles used by diabetics, for human
19 use, the tax is imposed at the rate of 1%. For the purposes
20 of this Section, the term "soft drinks" means any complete,
21 finished, ready-to-use, non-alcoholic drink, whether
22 carbonated or not, including but not limited to soda water,
23 cola, fruit juice, vegetable juice, carbonated water, and all
24 other preparations commonly known as soft drinks of whatever
25 kind or description that are contained in any closed or
26 sealed bottle, can, carton, or container, regardless of size.
27 "Soft drinks" does not include coffee, tea, non-carbonated
28 water, infant formula, milk or milk products as defined in
29 the Grade A Pasteurized Milk and Milk Products Act, or drinks
30 containing 50% or more natural fruit or vegetable juice.

31 Notwithstanding any other provisions of this Act, "food
32 for human consumption that is to be consumed off the premises
33 where it is sold" includes all food sold through a vending
34 machine, except soft drinks and food products that are

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

3 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
4 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

5 Section 25. If and only if both Senate Bill 1212 and
6 House Bill 46 of the 93rd General Assembly become law, then
7 the Motor Fuel Tax Law is amended by changing Section 2 as
8 follows:

9 (35 ILCS 505/2) (from Ch. 120, par. 418)

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

13 (a) Prior to August 1, 1989, the tax is imposed at the
14 rate of 13 cents per gallon on all motor fuel used in motor
15 vehicles operating on the public highways and recreational
16 type watercraft operating upon the waters of this State.
17 Beginning on August 1, 1989 and until January 1, 1990, the
18 rate of the tax imposed in this paragraph shall be 16 cents
19 per gallon. Beginning January 1, 1990, the rate of tax
20 imposed in this paragraph shall be 19 cents per gallon.

21 (b) The tax on the privilege of operating motor vehicles
22 which use diesel fuel shall be the rate according to
23 paragraph (a) plus an additional 2 1/2 cents per gallon.
24 "Diesel fuel" is defined as any petroleum product intended
25 for use or offered for sale as a fuel for engines in which
26 the fuel is injected into the combustion chamber and ignited
27 by pressure without electric spark.

28 (c) A tax is imposed upon the privilege of engaging in
29 the business of selling motor fuel as a retailer or reseller
30 on all motor fuel used in motor vehicles operating on the
31 public highways and recreational type watercraft operating
32 upon the waters of this State: (1) at the rate of 3 cents per

1 gallon on motor fuel owned or possessed by such retailer or
2 reseller at 12:01 a.m. on August 1, 1989; and (2) at the rate
3 of 3 cents per gallon on motor fuel owned or possessed by
4 such retailer or reseller at 12:01 A.M. on January 1, 1990.

5 Retailers and resellers who are subject to this
6 additional tax shall be required to inventory such motor fuel
7 and pay this additional tax in a manner prescribed by the
8 Department of Revenue.

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

12 (d) Except as provided in Section 2a, the collection of
13 a tax based on gallonage of gasoline used for the propulsion
14 of any aircraft is prohibited on and after October 1, 1979.

15 (e) The collection of a tax, based on gallonage of all
16 products commonly or commercially known or sold as 1-K
17 kerosene, regardless of its classification or uses, is
18 prohibited (i) on and after July 1, 1992 until December 31,
19 1999, except when the 1-K kerosene is either: (1) delivered
20 into bulk storage facilities of a bulk user, or (2) delivered
21 directly into the fuel supply tanks of motor vehicles and
22 (ii) on and after January 1, 2000. Beginning on January 1,
23 2000, the collection of a tax, based on gallonage of all
24 products commonly or commercially known or sold as 1-K
25 kerosene, regardless of its classification or uses, is
26 prohibited except when the 1-K kerosene is delivered directly
27 into a storage tank that is located at a facility that has
28 withdrawal facilities that are readily accessible to and are
29 capable of dispensing 1-K kerosene into the fuel supply tanks
30 of motor vehicles.

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

1 (Source: P.A. 91-173, eff. 1-1-00.)

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