



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**HB2740**

Introduced 2/22/2005, by Rep. Tom Cross

**SYNOPSIS AS INTRODUCED:**

35 ILCS 120/2-10

from Ch. 120, par. 441-10

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

LRB094 06497 RCE 36585 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 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 ~~the~~ tax imposed by this Act is at the rate of  
9 6.25% of gross receipts from 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.)