



Sen. Kirk W. Dillard

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1 AMENDMENT TO HOUSE BILL 576

2 AMENDMENT NO. _____. Amend House Bill 576 on page 1, by
3 replacing line 4 with the following:

4 "Section 5. The State Finance Act is amended by changing
5 Sections 6z-18 and 6z-20 as follows:

6 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

7 Sec. 6z-18. A portion of the money paid into the Local
8 Government Tax Fund from sales of food for human consumption
9 which is to be consumed off the premises where it is sold
10 (other than alcoholic beverages, soft drinks and food which has
11 been prepared for immediate consumption) and prescription and
12 nonprescription medicines, drugs, medical appliances and
13 insulin, urine testing materials, syringes and needles used by
14 diabetics, which occurred in municipalities, shall be
15 distributed to each municipality based upon the sales which
16 occurred in that municipality. The remainder shall be

1 distributed to each county based upon the sales which occurred
2 in the unincorporated area of that county.

3 A portion of the money paid into the Local Government Tax
4 Fund from the 6.25% general use tax rate on the selling price
5 of tangible personal property which is purchased outside
6 Illinois at retail from a retailer and which is titled or
7 registered by any agency of this State's government shall be
8 distributed to municipalities as provided in this paragraph.
9 Each municipality shall receive the amount attributable to
10 sales for which Illinois addresses for titling or registration
11 purposes are given as being in such municipality. The remainder
12 of the money paid into the Local Government Tax Fund from such
13 sales shall be distributed to counties. Each county shall
14 receive the amount attributable to sales for which Illinois
15 addresses for titling or registration purposes are given as
16 being located in the unincorporated area of such county.

17 A portion of the money paid into the Local Government Tax
18 Fund from the 6.25% general rate (and, beginning July 1, 2000
19 and through December 31, 2000 and beginning again on July 1,
20 2007, the 1.25% rate on motor fuel and gasohol) on sales
21 subject to taxation under the Retailers' Occupation Tax Act and
22 the Service Occupation Tax Act, which occurred in
23 municipalities, shall be distributed to each municipality,
24 based upon the sales which occurred in that municipality. The
25 remainder shall be distributed to each county, based upon the
26 sales which occurred in the unincorporated area of such county.

1 For the purpose of determining allocation to the local
2 government unit, a retail sale by a producer of coal or other
3 mineral mined in Illinois is a sale at retail at the place
4 where the coal or other mineral mined in Illinois is extracted
5 from the earth. This paragraph does not apply to coal or other
6 mineral when it is delivered or shipped by the seller to the
7 purchaser at a point outside Illinois so that the sale is
8 exempt under the United States Constitution as a sale in
9 interstate or foreign commerce.

10 Whenever the Department determines that a refund of money
11 paid into the Local Government Tax Fund should be made to a
12 claimant instead of issuing a credit memorandum, the Department
13 shall notify the State Comptroller, who shall cause the order
14 to be drawn for the amount specified, and to the person named,
15 in such notification from the Department. Such refund shall be
16 paid by the State Treasurer out of the Local Government Tax
17 Fund.

18 On or before the 25th day of each calendar month, the
19 Department shall prepare and certify to the Comptroller the
20 disbursement of stated sums of money to named municipalities
21 and counties, the municipalities and counties to be those
22 entitled to distribution of taxes or penalties paid to the
23 Department during the second preceding calendar month. The
24 amount to be paid to each municipality or county shall be the
25 amount (not including credit memoranda) collected during the
26 second preceding calendar month by the Department and paid into

1 the Local Government Tax Fund, plus an amount the Department
2 determines is necessary to offset any amounts which were
3 erroneously paid to a different taxing body, and not including
4 an amount equal to the amount of refunds made during the second
5 preceding calendar month by the Department, and not including
6 any amount which the Department determines is necessary to
7 offset any amounts which are payable to a different taxing body
8 but were erroneously paid to the municipality or county. Within
9 10 days after receipt, by the Comptroller, of the disbursement
10 certification to the municipalities and counties, provided for
11 in this Section to be given to the Comptroller by the
12 Department, the Comptroller shall cause the orders to be drawn
13 for the respective amounts in accordance with the directions
14 contained in such certification.

15 When certifying the amount of monthly disbursement to a
16 municipality or county under this Section, the Department shall
17 increase or decrease that amount by an amount necessary to
18 offset any misallocation of previous disbursements. The offset
19 amount shall be the amount erroneously disbursed within the 6
20 months preceding the time a misallocation is discovered.

21 The provisions directing the distributions from the
22 special fund in the State Treasury provided for in this Section
23 shall constitute an irrevocable and continuing appropriation
24 of all amounts as provided herein. The State Treasurer and
25 State Comptroller are hereby authorized to make distributions
26 as provided in this Section.

1 In construing any development, redevelopment, annexation,
2 preannexation or other lawful agreement in effect prior to
3 September 1, 1990, which describes or refers to receipts from a
4 county or municipal retailers' occupation tax, use tax or
5 service occupation tax which now cannot be imposed, such
6 description or reference shall be deemed to include the
7 replacement revenue for such abolished taxes, distributed from
8 the Local Government Tax Fund.

9 (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99; 91-872,
10 eff. 7-1-00.)

11 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

12 Sec. 6z-20. Of the money received from the 6.25% general
13 rate (and, beginning July 1, 2000 and through December 31, 2000
14 and beginning again on July 1, 2007, the 1.25% rate on motor
15 fuel and gasohol) on sales subject to taxation under the
16 Retailers' Occupation Tax Act and Service Occupation Tax Act
17 and paid into the County and Mass Transit District Fund,
18 distribution to the Regional Transportation Authority tax
19 fund, created pursuant to Section 4.03 of the Regional
20 Transportation Authority Act, for deposit therein shall be made
21 based upon the retail sales occurring in a county having more
22 than 3,000,000 inhabitants. The remainder shall be distributed
23 to each county having 3,000,000 or fewer inhabitants based upon
24 the retail sales occurring in each such county.

25 For the purpose of determining allocation to the local

1 government unit, a retail sale by a producer of coal or other
2 mineral mined in Illinois is a sale at retail at the place
3 where the coal or other mineral mined in Illinois is extracted
4 from the earth. This paragraph does not apply to coal or other
5 mineral when it is delivered or shipped by the seller to the
6 purchaser at a point outside Illinois so that the sale is
7 exempt under the United States Constitution as a sale in
8 interstate or foreign commerce.

9 Of the money received from the 6.25% general use tax rate
10 on tangible personal property which is purchased outside
11 Illinois at retail from a retailer and which is titled or
12 registered by any agency of this State's government and paid
13 into the County and Mass Transit District Fund, the amount for
14 which Illinois addresses for titling or registration purposes
15 are given as being in each county having more than 3,000,000
16 inhabitants shall be distributed into the Regional
17 Transportation Authority tax fund, created pursuant to Section
18 4.03 of the Regional Transportation Authority Act. The
19 remainder of the money paid from such sales shall be
20 distributed to each county based on sales for which Illinois
21 addresses for titling or registration purposes are given as
22 being located in the county. Any money paid into the Regional
23 Transportation Authority Occupation and Use Tax Replacement
24 Fund from the County and Mass Transit District Fund prior to
25 January 14, 1991, which has not been paid to the Authority
26 prior to that date, shall be transferred to the Regional

1 Transportation Authority tax fund.

2 Whenever the Department determines that a refund of money
3 paid into the County and Mass Transit District Fund should be
4 made to a claimant instead of issuing a credit memorandum, the
5 Department shall notify the State Comptroller, who shall cause
6 the order to be drawn for the amount specified, and to the
7 person named, in such notification from the Department. Such
8 refund shall be paid by the State Treasurer out of the County
9 and Mass Transit District Fund.

10 On or before the 25th day of each calendar month, the
11 Department shall prepare and certify to the Comptroller the
12 disbursement of stated sums of money to the Regional
13 Transportation Authority and to named counties, the counties to
14 be those entitled to distribution, as hereinabove provided, of
15 taxes or penalties paid to the Department during the second
16 preceding calendar month. The amount to be paid to the Regional
17 Transportation Authority and each county having 3,000,000 or
18 fewer inhabitants shall be the amount (not including credit
19 memoranda) collected during the second preceding calendar
20 month by the Department and paid into the County and Mass
21 Transit District Fund, plus an amount the Department determines
22 is necessary to offset any amounts which were erroneously paid
23 to a different taxing body, and not including an amount equal
24 to the amount of refunds made during the second preceding
25 calendar month by the Department, and not including any amount
26 which the Department determines is necessary to offset any

1 amounts which were payable to a different taxing body but were
2 erroneously paid to the Regional Transportation Authority or
3 county. Within 10 days after receipt, by the Comptroller, of
4 the disbursement certification to the Regional Transportation
5 Authority and counties, provided for in this Section to be
6 given to the Comptroller by the Department, the Comptroller
7 shall cause the orders to be drawn for the respective amounts
8 in accordance with the directions contained in such
9 certification.

10 When certifying the amount of a monthly disbursement to the
11 Regional Transportation Authority or to a county under this
12 Section, the Department shall increase or decrease that amount
13 by an amount necessary to offset any misallocation of previous
14 disbursements. The offset amount shall be the amount
15 erroneously disbursed within the 6 months preceding the time a
16 misallocation is discovered.

17 The provisions directing the distributions from the
18 special fund in the State Treasury provided for in this Section
19 and from the Regional Transportation Authority tax fund created
20 by Section 4.03 of the Regional Transportation Authority Act
21 shall constitute an irrevocable and continuing appropriation
22 of all amounts as provided herein. The State Treasurer and
23 State Comptroller are hereby authorized to make distributions
24 as provided in this Section.

25 In construing any development, redevelopment, annexation,
26 preannexation or other lawful agreement in effect prior to

1 September 1, 1990, which describes or refers to receipts from a
2 county or municipal retailers' occupation tax, use tax or
3 service occupation tax which now cannot be imposed, such
4 description or reference shall be deemed to include the
5 replacement revenue for such abolished taxes, distributed from
6 the County and Mass Transit District Fund or Local Government
7 Distributive Fund, as the case may be.

8 (Source: P.A. 90-491, eff. 1-1-98; 91-872, eff. 7-1-00.)

9 Section 10. The Use Tax Act is amended by changing Sections
10 3-10 and 9 as follows:

11 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

12 Sec. 3-10. Rate of tax. Unless otherwise provided in this
13 Section, the tax imposed by this Act is at the rate of 6.25% of
14 either the selling price or the fair market value, if any, of
15 the tangible personal property. In all cases where property
16 functionally used or consumed is the same as the property that
17 was purchased at retail, then the tax is imposed on the selling
18 price of the property. In all cases where property functionally
19 used or consumed is a by-product or waste product that has been
20 refined, manufactured, or produced from property purchased at
21 retail, then the tax is imposed on the lower of the fair market
22 value, if any, of the specific property so used in this State
23 or on the selling price of the property purchased at retail.
24 For purposes of this Section "fair market value" means the

1 price at which property would change hands between a willing
2 buyer and a willing seller, neither being under any compulsion
3 to buy or sell and both having reasonable knowledge of the
4 relevant facts. The fair market value shall be established by
5 Illinois sales by the taxpayer of the same property as that
6 functionally used or consumed, or if there are no such sales by
7 the taxpayer, then comparable sales or purchases of property of
8 like kind and character in Illinois.

9 Beginning on July 1, 2000 and through December 31, 2000 and
10 beginning again July 1, 2007, with respect to motor fuel, as
11 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
12 as defined in Section 3-40 of the Use Tax Act, the tax is
13 imposed at the rate of 1.25%.

14 With respect to gasohol, the tax imposed by this Act
15 applies to (i) 70% of the proceeds of sales made on or after
16 January 1, 1990, and before July 1, 2003, (ii) 80% of the
17 proceeds of sales made on or after July 1, 2003 and on or
18 before December 31, 2013, and (iii) 100% of the proceeds of
19 sales made thereafter. If, at any time, however, the tax under
20 this Act on sales of gasohol is imposed at the rate of 1.25%,
21 then the tax imposed by this Act applies to 100% of the
22 proceeds of sales of gasohol made during that time.

23 With respect to majority blended ethanol fuel, the tax
24 imposed by this Act does not apply to the proceeds of sales
25 made on or after July 1, 2003 and on or before December 31,
26 2013 but applies to 100% of the proceeds of sales made

1 thereafter.

2 With respect to biodiesel blends with no less than 1% and
3 no more than 10% biodiesel, the tax imposed by this Act applies
4 to (i) 80% of the proceeds of sales made on or after July 1,
5 2003 and on or before December 31, 2013 and (ii) 100% of the
6 proceeds of sales made thereafter. If, at any time, however,
7 the tax under this Act on sales of biodiesel blends with no
8 less than 1% and no more than 10% biodiesel is imposed at the
9 rate of 1.25%, then the tax imposed by this Act applies to 100%
10 of the proceeds of sales of biodiesel blends with no less than
11 1% and no more than 10% biodiesel made during that time.

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

17 With respect to food for human consumption that is to be
18 consumed off the premises where it is sold (other than
19 alcoholic beverages, soft drinks, and food that has been
20 prepared for immediate consumption) and prescription and
21 nonprescription medicines, drugs, medical appliances,
22 modifications to a motor vehicle for the purpose of rendering
23 it usable by a disabled person, and insulin, urine testing
24 materials, syringes, and needles used by diabetics, for human
25 use, the tax is imposed at the rate of 1%. For the purposes of
26 this Section, the term "soft drinks" means any complete,

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

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

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

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

25 Section 15. The Service Use Tax Act is amended by changing

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

9 Beginning on July 1, 2000 and through December 31, 2000 and
10 beginning again on July 1, 2007, with respect to motor fuel, as
11 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
12 as defined in Section 3-40 of the Use Tax Act, the tax is
13 imposed at the rate of 1.25%.

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

25 With respect to majority blended ethanol fuel, as defined

1 in the Use Tax Act, the tax imposed by this Act does not apply
2 to the selling price of property transferred as an incident to
3 the sale of service on or after July 1, 2003 and on or before
4 December 31, 2013 but applies to 100% of the selling price
5 thereafter.

6 With respect to biodiesel blends, as defined in the Use Tax
7 Act, with no less than 1% and no more than 10% biodiesel, the
8 tax imposed by this Act applies to (i) 80% of the selling price
9 of property transferred as an incident to the sale of service
10 on or after July 1, 2003 and on or before December 31, 2013 and
11 (ii) 100% of the proceeds of the selling price thereafter. If,
12 at any time, however, the tax under this Act on sales of
13 biodiesel blends, as defined in the Use Tax Act, with no less
14 than 1% and no more than 10% biodiesel is imposed at the rate
15 of 1.25%, then the tax imposed by this Act applies to 100% of
16 the proceeds of sales of biodiesel blends with no less than 1%
17 and no more than 10% biodiesel made during that time.

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

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 aggregate
5 annual total gross receipts from all sales of service, the tax
6 imposed by this Act shall be based on the serviceman's cost
7 price of the tangible personal property transferred as an
8 incident to the sale of those services.

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

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

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

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

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

23 Section 20. The Service Occupation Tax Act is amended by
24 changing Sections 3-10 and 9 as follows:

1 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

20 Beginning on July 1, 2000 and through December 31, 2000 and
21 beginning again on July 1, 2007, with respect to motor fuel, as
22 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
23 as defined in Section 3-40 of the Use Tax Act, the tax is
24 imposed at the rate of 1.25%.

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

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

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

16 With respect to biodiesel blends, as defined in the Use Tax
17 Act, with no less than 1% and no more than 10% biodiesel, the
18 tax imposed by this Act applies to (i) 80% of the selling price
19 of property transferred as an incident to the sale of service
20 on or after July 1, 2003 and on or before December 31, 2013 and
21 (ii) 100% of the proceeds of the selling price thereafter. 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 100% biodiesel, as defined in the Use Tax
3 Act, and biodiesel blends, as defined in the Use Tax Act, with
4 more than 10% but no more than 99% biodiesel material, the tax
5 imposed by this Act does not apply to the proceeds of the
6 selling price of property transferred as an incident to the
7 sale of service on or after July 1, 2003 and on or before
8 December 31, 2013 but applies to 100% of the selling price
9 thereafter.

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

20 The tax shall be imposed at the rate of 1% on food prepared
21 for immediate consumption and transferred incident to a sale of
22 service subject to this Act or the Service Occupation Tax Act
23 by an entity licensed under the Hospital Licensing Act, the
24 Nursing Home Care Act, or the Child Care Act of 1969. The tax
25 shall also be imposed at the rate of 1% on food for human
26 consumption that is to be consumed off the premises where it is

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

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

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

1 Section 25. The Retailers' Occupation Tax Act is amended by
2 changing Sections 2-10 and 3 as follows:

3 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

8 Beginning on July 1, 2000 and through December 31, 2000 and
9 beginning again on July 1, 2007, with respect to motor fuel, as
10 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
11 as defined in Section 3-40 of the Use Tax Act, the tax is
12 imposed at the rate of 1.25%.

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

1 offense for which the fine shall be \$500 per day per each
2 retail premises where a violation occurs.

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

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

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

1 100% of the proceeds of sales of biodiesel blends with no less
2 than 1% and no more than 10% biodiesel made during that time.

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

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

1 Pasteurized Milk and Milk Products Act, or drinks containing
2 50% or more natural fruit or vegetable juice.

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

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

10 Section 30. The Property Tax Code is amended by changing";
11 and

12 on page 18, immediately below line 25, by inserting the
13 following:

14 "Section 99. Effective date. This Act takes effect upon
15 becoming law.".