

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 3-40 as follows:

6 (35 ILCS 105/3-40) (from Ch. 120, par. 439.3-40)

7 Sec. 3-40. Gasohol. As used in this Act, "gasohol" means a
8 motor fuel that is a denatured ethanol and gasoline blend ~~of~~
9 ~~denatured ethanol and gasoline~~ that contains (i) no more than
10 1.25% water by weight and (ii) the maximum proportion of
11 ethanol authorized by the United States Environmental
12 Protection Agency under Section 211 of the Clean Air Act.
13 However, if, on or after June 1, 2010, the United States
14 Environmental Protection Agency (USEPA), while acting under
15 the authority granted it in Section 211 of the Clean Air Act,
16 authorizes an increase in the maximum proportion of ethanol
17 that may be included in motor fuel blends, then (i) a motor
18 fuel blend containing a proportion of ethanol greater than that
19 which was authorized prior to the USEPA action shall not be
20 treated as gasohol under the Retailers' Occupation Tax Act, the
21 Service Occupation Tax Act, the Use Tax Act, or the Service Use
22 Tax Act, until (A) the State Fire Marshal, the Director of
23 Agriculture, and the Director of the Environmental Protection

1 Agency have each separately certified to the Director of
2 Revenue that the new motor fuel blend meets the definition of
3 "gasohol" in this Section and that the blend can be legally and
4 safely produced and delivered to consumers with non-flex fuel
5 vehicles and (B) the State Fire Marshal has also certified that
6 the fuel delivery infrastructure is safe and (ii) a motor fuel
7 blend containing a proportion of ethanol equal to or less than
8 that which was authorized prior to the USEPA action shall, for
9 180 days after the Director of Revenue receives the last of the
10 required certifications, continue to be treated as gasohol
11 under the Retailers' Occupation Tax Act, the Service Occupation
12 Tax Act, the Use Tax Act, and the Service Use Tax Act. The
13 ~~blend must contain 90% gasoline and 10% denatured ethanol.~~ A
14 maximum of one percent error factor in the amount of denatured
15 ethanol used in the blend is allowable to compensate for
16 blending equipment variations. Any person who knowingly sells
17 or represents as gasohol any fuel that does not qualify as
18 gasohol under this Act is guilty of a business offense and
19 shall be fined not more than \$100 for each day that the sale or
20 representation takes place after notification from the
21 Department of Agriculture that the fuel in question does not
22 qualify as gasohol.

23 (Source: P.A. 93-724, eff. 7-13-04.)