



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB1979

by Rep. John E. Bradley

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-40

from Ch. 120, par. 439.3-40

Amends the Use Tax Act. Provides that "gasohol" means a motor fuel that is a denatured ethanol and gasoline blend that contains (i) no more than 1.25% water by weight and (ii) the maximum proportion of ethanol authorized by the United States Environmental Protection Agency under Section 211 of the Clean Air Act (rather than a motor fuel blend that contains 90% gasoline, 10% denatured ethanol, and no more than 1.25% water by weight). Provides that if, on or after June 1, 2010, the United States Environmental Protection Agency (USEPA), while acting under the authority granted it in Section 211 of the Clean Air Act, authorizes an increase in the maximum proportion of ethanol that may be included in motor fuel blends, then (i) a motor fuel blend containing a proportion of ethanol greater than that which was authorized prior to the USEPA action shall not be treated as gasohol under the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Use Tax Act, or the Service Use Tax Act, until (A) the Director of Agriculture and the Director of the Environmental Protection Agency have each separately certified to the Director of Revenue that the new motor fuel blend meets the definition of "gasohol" in this Section and that the blend can be legally and safely produced and delivered to consumers with non-flex fuel vehicles and (B) the State Fire Marshal has been provided information by the storage tank owner or operator that the storage tank system, including the fuel delivery infrastructure, meets technical requirements for these regulated storage tank systems under rules promulgated by the Office of the State Fire Marshal pursuant to the Gasoline Storage Act and (ii) a motor fuel blend containing a proportion of ethanol equal to or less than that which was authorized prior to the USEPA action shall, for 180 days after the Director of Revenue receives the last of the required certifications, continue to be treated as gasohol under the Retailers' Occupation Tax Act, Service Occupation Tax Act, Use Tax Act, and Service Use Tax Act.

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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 Director of Agriculture and the Director
23 of the Environmental Protection Agency have each separately

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

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