

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 has certified to
23 the Director of Revenue that the new motor fuel blend meets the

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

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