



## 97TH GENERAL ASSEMBLY

### State of Illinois

### 2011 and 2012

### SB3616

Introduced 2/10/2012, by Sen. John M. Sullivan

#### SYNOPSIS AS INTRODUCED:

20 ILCS 689/15	
20 ILCS 689/20	
35 ILCS 105/3-10	
35 ILCS 105/3-40	from Ch. 120, par. 439.3-40
35 ILCS 105/3-44	
35 ILCS 105/3-44.6 new	
35 ILCS 105/3-44.7 new	
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 120/2-10	

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, on or after July 1, 2012 and on or before December 31, 2018, the taxes imposed under the Acts apply to (i) 90% of the proceeds of sales of gasohol, (ii) 80% of the proceeds of sales of E20 blended ethanol fuel, and (iii) 60% of the proceeds of sales of E30 blended ethanol fuel. Provides that an exemption for majority blended ethanol fuel applies through December 31, 2018 (instead of December 31, 2013). Amends the Illinois Renewable Fuels Development Program Act. Provides that grants may be awarded for the following programs: a next generation renewable fuels program, a majority blended ethanol and blender pump infrastructure program, and a research and development program for sustainable corn production and corn-based renewable fuel production. Sets forth the maximum aggregate amount of grants that may be awarded under each program. Effective immediately.

LRB097 19794 HLH 65064 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Illinois Renewable Fuels Development  
5 Program Act is amended by changing Sections 15 and 20 as  
6 follows:

7 (20 ILCS 689/15)

8 Sec. 15. Illinois Renewable Fuels Development Program.

9 (a) The Department must develop and administer the Illinois  
10 Renewable Fuels Development Program to assist in the  
11 construction, modification, alteration, or retrofitting of  
12 renewable fuel plants in Illinois. The recipient of a grant  
13 under this Section must:

14 (1) be constructing, modifying, altering, or  
15 retrofitting a plant in the State of Illinois;

16 (2) be constructing, modifying, altering, or  
17 retrofitting a plant that has annual production capacity of  
18 no less than 5,000,000 gallons of renewable fuel per year;  
19 and

20 (3) enter into a project labor agreement, whenever  
21 practicable, as prescribed by Section 25 of this Act.

22 (b) Grant applications must be made on forms provided by  
23 and in accordance with procedures established by the

1 Department.

2 (c) The Department must give preference to applicants that  
3 use Illinois agricultural products in the production of  
4 renewable fuel at the plant for which the grant is being  
5 requested.

6 (Source: P.A. 96-140, eff. 1-1-10.)

7 (20 ILCS 689/20)

8 Sec. 20. Grants. Subject to appropriation, the Director is  
9 authorized to award grants to eligible applicants for the  
10 following programs.

11 (1) Next generation ethanol/renewable fuels. Eligible  
12 next generation ethanol/renewable fuel projects include  
13 those renewable fuel facilities installing new  
14 technologies to reduce water and energy usage as well as  
15 technologies to reduce greenhouse gas emissions. Projects  
16 that will result in more efficient processes, new  
17 co-products, fuels and chemicals are also eligible for  
18 funding. The annual aggregate amount of grants awarded  
19 under this item (1) for next generation ethanol/renewable  
20 fuel projects shall not exceed \$15,000,000.

21 (2) Majority blended ethanol and blender pump  
22 infrastructure program. The Department shall establish a  
23 grant program to provide funds for the installation of  
24 majority blended ethanol and blender pump fueling  
25 facilities. The annual aggregate amount of grants awarded

1 under this item (2) shall not exceed \$5,000,000.

2 (3) Research and development program for sustainable  
3 corn production and corn-based renewable fuel production.  
4 The Department shall establish a grant program to provide  
5 funds for research and development projects to reduce the  
6 carbon footprint of corn based renewable fuels through new  
7 co-products, new process technologies, and new fuels. The  
8 Department shall also establish a grant program to fund  
9 research on increasing the sustainability of corn  
10 production through better nitrogen utilization, new best  
11 management practices for improved soil health, water  
12 conservation, and reduced environmental concerns. Eligible  
13 projects include those that will increase corn  
14 productivity with lower inputs and less risk. The annual  
15 aggregate amount of grants awarded under this item (3)  
16 shall not exceed \$5,000,000.

17 ~~The annual aggregate amount of grants awarded shall not exceed~~  
18 ~~\$20,000,000, except that this amount does not include amounts,~~  
19 ~~up to \$4,000,000 per grant, that may be awarded to each~~  
20 ~~eligible applicant who installs advanced technologies for~~  
21 ~~water usage, carbon footprint reduction, and other blending~~  
22 ~~improvements designed to optimize processes at the applicant's~~  
23 ~~renewable fuels facility.~~

24 (Source: P.A. 96-173, eff. 8-10-09.)

25 Section 10. The Use Tax Act is amended by changing Sections

1 3-10, 3-40, and 3-44 and by adding Sections 3-44.6 and 3-44.7  
2 as follows:

3 (35 ILCS 105/3-10)

4 (Text of Section before amendment by P.A. 97-636)

5 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
6 Section, the tax imposed by this Act is at the rate of 6.25% of  
7 either the selling price or the fair market value, if any, of  
8 the tangible personal property. In all cases where property  
9 functionally used or consumed is the same as the property that  
10 was purchased at retail, then the tax is imposed on the selling  
11 price of the property. In all cases where property functionally  
12 used or consumed is a by-product or waste product that has been  
13 refined, manufactured, or produced from property purchased at  
14 retail, then the tax is imposed on the lower of the fair market  
15 value, if any, of the specific property so used in this State  
16 or on the selling price of the property purchased at retail.  
17 For purposes of this Section "fair market value" means the  
18 price at which property would change hands between a willing  
19 buyer and a willing seller, neither being under any compulsion  
20 to buy or sell and both having reasonable knowledge of the  
21 relevant facts. The fair market value shall be established by  
22 Illinois sales by the taxpayer of the same property as that  
23 functionally used or consumed, or if there are no such sales by  
24 the taxpayer, then comparable sales or purchases of property of  
25 like kind and character in Illinois.

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

5           Beginning on August 6, 2010 through August 15, 2010, with  
6 respect to sales tax holiday items as defined in Section 3-6 of  
7 this Act, the tax is imposed at the rate of 1.25%.

8           With respect to gasohol, the tax imposed by this Act  
9 applies to (i) 70% of the proceeds of sales made on or after  
10 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
11 proceeds of sales made on or after July 1, 2003 and on or  
12 before June 30, 2012 ~~December 31, 2013~~, (iii) 90% of the  
13 proceeds of sales made on or after July 1, 2012 and on or  
14 before December 31, 2018, and (iv) ~~(iii)~~ 100% of the proceeds  
15 of sales made thereafter. If, at any time, however, the tax  
16 under this Act on sales of gasohol is imposed at the rate of  
17 1.25%, then the tax imposed by this Act applies to 100% of the  
18 proceeds of sales of gasohol made during that time.

19           With respect to E20 blended ethanol fuel, the tax imposed  
20 by this Act applies to (i) 80% of the proceeds of sales made on  
21 or after July 1, 2012 and on or before December 31, 2018 and  
22 (ii) 100% of the proceeds of sales made thereafter. If, at any  
23 time, however, the tax under this Act on sales of E20 blended  
24 ethanol fuel is imposed at the rate of 1.25%, then the tax  
25 imposed by this Act applies to 100% of the proceeds of sales of  
26 E20 blended ethanol fuel made during that time.

1       With respect to E30 blended ethanol fuel, the tax imposed  
2 by this Act applies to (i) 60% of the proceeds of sales made on  
3 or after July 1, 2012 and on or before December 31, 2018 and  
4 (ii) 100% of the proceeds of sales made thereafter. If, at any  
5 time, however, the tax under this Act on sales of E30 blended  
6 ethanol fuel is imposed at the rate of 1.25%, then the tax  
7 imposed by this Act applies to 100% of the proceeds of sales of  
8 E30 blended ethanol fuel made during that time.

9       With respect to majority blended ethanol fuel, the tax  
10 imposed by this Act does not apply to the proceeds of sales  
11 made on or after July 1, 2003 and on or before December 31,  
12 2018 ~~December 31, 2013~~ but applies to 100% of the proceeds of  
13 sales made thereafter.

14       With respect to biodiesel blends with no less than 1% and  
15 no more than 10% biodiesel, the tax imposed by this Act applies  
16 to (i) 80% of the proceeds of sales made on or after July 1,  
17 2003 and on or before December 31, 2013 and (ii) 100% of the  
18 proceeds of sales made thereafter. If, at any time, however,  
19 the tax under this Act on sales of biodiesel blends with no  
20 less than 1% and no more than 10% biodiesel is imposed at the  
21 rate of 1.25%, then the tax imposed by this Act applies to 100%  
22 of the proceeds of sales of biodiesel blends with no less than  
23 1% and no more than 10% biodiesel made during that time.

24       With respect to 100% biodiesel and biodiesel blends with  
25 more than 10% but no more than 99% biodiesel, the tax imposed  
26 by this Act does not apply to the proceeds of sales made on or

1 after July 1, 2003 and on or before December 31, 2013 but  
2 applies to 100% of the proceeds of sales made thereafter.

3 With respect to food for human consumption that is to be  
4 consumed off the premises where it is sold (other than  
5 alcoholic beverages, soft drinks, and food that has been  
6 prepared for immediate consumption) and prescription and  
7 nonprescription medicines, drugs, medical appliances,  
8 modifications to a motor vehicle for the purpose of rendering  
9 it usable by a disabled person, and insulin, urine testing  
10 materials, syringes, and needles used by diabetics, for human  
11 use, the tax is imposed at the rate of 1%. For the purposes of  
12 this Section, until September 1, 2009: the term "soft drinks"  
13 means any complete, finished, ready-to-use, non-alcoholic  
14 drink, whether carbonated or not, including but not limited to  
15 soda water, cola, fruit juice, vegetable juice, carbonated  
16 water, and all other preparations commonly known as soft drinks  
17 of whatever kind or description that are contained in any  
18 closed or sealed bottle, can, carton, or container, regardless  
19 of size; but "soft drinks" does not include coffee, tea,  
20 non-carbonated water, infant formula, milk or milk products as  
21 defined in the Grade A Pasteurized Milk and Milk Products Act,  
22 or drinks containing 50% or more natural fruit or vegetable  
23 juice.

24 Notwithstanding any other provisions of this Act,  
25 beginning September 1, 2009, "soft drinks" means non-alcoholic  
26 beverages that contain natural or artificial sweeteners. "Soft



1 drinks" do not include beverages that contain milk or milk  
2 products, soy, rice or similar milk substitutes, or greater  
3 than 50% of vegetable or fruit juice by volume.

4 Until August 1, 2009, and notwithstanding any other  
5 provisions of this Act, "food for human consumption that is to  
6 be consumed off the premises where it is sold" includes all  
7 food sold through a vending machine, except soft drinks and  
8 food products that are dispensed hot from a vending machine,  
9 regardless of the location of the vending machine. Beginning  
10 August 1, 2009, and notwithstanding any other provisions of  
11 this Act, "food for human consumption that is to be consumed  
12 off the premises where it is sold" includes all food sold  
13 through a vending machine, except soft drinks, candy, and food  
14 products that are dispensed hot from a vending machine,  
15 regardless of the location of the vending machine.

16 Notwithstanding any other provisions of this Act,  
17 beginning September 1, 2009, "food for human consumption that  
18 is to be consumed off the premises where it is sold" does not  
19 include candy. For purposes of this Section, "candy" means a  
20 preparation of sugar, honey, or other natural or artificial  
21 sweeteners in combination with chocolate, fruits, nuts or other  
22 ingredients or flavorings in the form of bars, drops, or  
23 pieces. "Candy" does not include any preparation that contains  
24 flour or requires refrigeration.

25 Notwithstanding any other provisions of this Act,  
26 beginning September 1, 2009, "nonprescription medicines and

1 drugs" does not include grooming and hygiene products. For  
2 purposes of this Section, "grooming and hygiene products"  
3 includes, but is not limited to, soaps and cleaning solutions,  
4 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
5 lotions and screens, unless those products are available by  
6 prescription only, regardless of whether the products meet the  
7 definition of "over-the-counter-drugs". For the purposes of  
8 this paragraph, "over-the-counter-drug" means a drug for human  
9 use that contains a label that identifies the product as a drug  
10 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
11 label includes:

12 (A) A "Drug Facts" panel; or

13 (B) A statement of the "active ingredient(s)" with a  
14 list of those ingredients contained in the compound,  
15 substance or preparation.

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

23 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
24 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10.)

25 (Text of Section after amendment by P.A. 97-636)

1           Sec. 3-10. Rate of tax. Unless otherwise provided in this  
2 Section, the tax imposed by this Act is at the rate of 6.25% of  
3 either the selling price or the fair market value, if any, of  
4 the tangible personal property. In all cases where property  
5 functionally used or consumed is the same as the property that  
6 was purchased at retail, then the tax is imposed on the selling  
7 price of the property. In all cases where property functionally  
8 used or consumed is a by-product or waste product that has been  
9 refined, manufactured, or produced from property purchased at  
10 retail, then the tax is imposed on the lower of the fair market  
11 value, if any, of the specific property so used in this State  
12 or on the selling price of the property purchased at retail.  
13 For purposes of this Section "fair market value" means the  
14 price at which property would change hands between a willing  
15 buyer and a willing seller, neither being under any compulsion  
16 to buy or sell and both having reasonable knowledge of the  
17 relevant facts. The fair market value shall be established by  
18 Illinois sales by the taxpayer of the same property as that  
19 functionally used or consumed, or if there are no such sales by  
20 the taxpayer, then comparable sales or purchases of property of  
21 like kind and character in Illinois.

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

26           Beginning on August 6, 2010 through August 15, 2010, with

1 respect to sales tax holiday items as defined in Section 3-6 of  
2 this Act, the tax is imposed at the rate of 1.25%.

3 With respect to gasohol, the tax imposed by this Act  
4 applies to (i) 70% of the proceeds of sales made on or after  
5 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
6 proceeds of sales made on or after July 1, 2003 and on or  
7 before June 30, 2012 ~~December 31, 2018~~, (iii) 90% of the  
8 proceeds of sales made on or after July 1, 2012 and on or  
9 before December 31, 2018, and (iv) ~~(iii)~~ 100% of the proceeds  
10 of sales made thereafter. If, at any time, however, the tax  
11 under this Act on sales of gasohol is imposed at the rate of  
12 1.25%, then the tax imposed by this Act applies to 100% of the  
13 proceeds of sales of gasohol made during that time.

14 With respect to E20 blended ethanol fuel, the tax imposed  
15 by this Act applies to (i) 80% of the proceeds of sales made on  
16 or after July 1, 2012 and on or before December 31, 2018 and  
17 (ii) 100% of the proceeds of sales made thereafter. If, at any  
18 time, however, the tax under this Act on sales of E20 blended  
19 ethanol fuel is imposed at the rate of 1.25%, then the tax  
20 imposed by this Act applies to 100% of the proceeds of sales of  
21 E20 blended ethanol fuel made during that time.

22 With respect to E30 blended ethanol fuel, the tax imposed  
23 by this Act applies to (i) 60% of the proceeds of sales made on  
24 or after July 1, 2012 and on or before December 31, 2018 and  
25 (ii) 100% of the proceeds of sales made thereafter. If, at any  
26 time, however, the tax under this Act on sales of E30 blended

1 ethanol fuel is imposed at the rate of 1.25%, then the tax  
2 imposed by this Act applies to 100% of the proceeds of sales of  
3 E30 blended ethanol fuel made during that time.

4 With respect to majority blended ethanol fuel, the tax  
5 imposed by this Act does not apply to the proceeds of sales  
6 made on or after July 1, 2003 and on or before December 31,  
7 2018 but applies to 100% of the proceeds of sales made  
8 thereafter.

9 With respect to biodiesel blends with no less than 1% and  
10 no more than 10% biodiesel, the tax imposed by this Act applies  
11 to (i) 80% of the proceeds of sales made on or after July 1,  
12 2003 and on or before December 31, 2018 and (ii) 100% of the  
13 proceeds of sales made thereafter. If, at any time, however,  
14 the tax under this Act on sales of biodiesel blends with no  
15 less than 1% and no more than 10% biodiesel is imposed at the  
16 rate of 1.25%, then the tax imposed by this Act applies to 100%  
17 of the proceeds of sales of biodiesel blends with no less than  
18 1% and no more than 10% biodiesel made during that time.

19 With respect to 100% biodiesel and biodiesel blends 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 sales made on or  
22 after July 1, 2003 and on or before December 31, 2018 but  
23 applies to 100% of the proceeds of sales made thereafter.

24 With respect to food for human consumption that is to be  
25 consumed off the premises where it is sold (other than  
26 alcoholic beverages, soft drinks, and food that has been

1 prepared for immediate consumption) and prescription and  
2 nonprescription medicines, drugs, medical appliances,  
3 modifications to a motor vehicle for the purpose of rendering  
4 it usable by a disabled person, and insulin, urine testing  
5 materials, syringes, and needles used by diabetics, for human  
6 use, the tax is imposed at the rate of 1%. For the purposes of  
7 this Section, until September 1, 2009: the term "soft drinks"  
8 means any complete, finished, ready-to-use, non-alcoholic  
9 drink, whether carbonated or not, including but not limited to  
10 soda water, cola, fruit juice, vegetable juice, carbonated  
11 water, and all other preparations commonly known as soft drinks  
12 of whatever kind or description that are contained in any  
13 closed or sealed bottle, can, carton, or container, regardless  
14 of size; but "soft drinks" does not include coffee, tea,  
15 non-carbonated water, infant formula, milk or milk products as  
16 defined in the Grade A Pasteurized Milk and Milk Products Act,  
17 or drinks containing 50% or more natural fruit or vegetable  
18 juice.

19 Notwithstanding any other provisions of this Act,  
20 beginning September 1, 2009, "soft drinks" means non-alcoholic  
21 beverages that contain natural or artificial sweeteners. "Soft  
22 drinks" do not include beverages that contain milk or milk  
23 products, soy, rice or similar milk substitutes, or greater  
24 than 50% of vegetable or fruit juice by volume.

25 Until August 1, 2009, and notwithstanding any other  
26 provisions of this Act, "food for human consumption that is to

1 be consumed off the premises where it is sold" includes all  
2 food sold through a vending machine, except soft drinks and  
3 food products that are dispensed hot from a vending machine,  
4 regardless of the location of the vending machine. Beginning  
5 August 1, 2009, and notwithstanding any other provisions of  
6 this Act, "food for human consumption that is to be consumed  
7 off the premises where it is sold" includes all food sold  
8 through a vending machine, except soft drinks, candy, and food  
9 products that are dispensed hot from a vending machine,  
10 regardless of the location of the vending machine.

11 Notwithstanding any other provisions of this Act,  
12 beginning September 1, 2009, "food for human consumption that  
13 is to be consumed off the premises where it is sold" does not  
14 include candy. For purposes of this Section, "candy" means a  
15 preparation of sugar, honey, or other natural or artificial  
16 sweeteners in combination with chocolate, fruits, nuts or other  
17 ingredients or flavorings in the form of bars, drops, or  
18 pieces. "Candy" does not include any preparation that contains  
19 flour or requires refrigeration.

20 Notwithstanding any other provisions of this Act,  
21 beginning September 1, 2009, "nonprescription medicines and  
22 drugs" does not include grooming and hygiene products. For  
23 purposes of this Section, "grooming and hygiene products"  
24 includes, but is not limited to, soaps and cleaning solutions,  
25 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
26 lotions and screens, unless those products are available by

1 prescription only, regardless of whether the products meet the  
2 definition of "over-the-counter-drugs". For the purposes of  
3 this paragraph, "over-the-counter-drug" means a drug for human  
4 use that contains a label that identifies the product as a drug  
5 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
6 label includes:

7 (A) A "Drug Facts" panel; or

8 (B) A statement of the "active ingredient(s)" with a  
9 list of those ingredients contained in the compound,  
10 substance or preparation.

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

18 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
19 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10;  
20 97-636, eff. 6-1-12.)

21 (35 ILCS 105/3-40) (from Ch. 120, par. 439.3-40)

22 Sec. 3-40. Gasohol. As used in this Act, "gasohol" means  
23 motor fuel that is a denatured ethanol and gasoline blend ~~of~~  
24 ~~denatured ethanol and gasoline~~ that contains (i) no more than  
25 1.25% water by weight and (ii) the maximum proportion of



1 ethanol authorized by the United States Environmental  
2 Protection Agency under Section 211 of the Clean Air Act. ~~The~~  
3 ~~blend must contain 90% gasoline and 10% denatured ethanol.~~ A  
4 maximum of one percent error factor in the amount of denatured  
5 ethanol used in the blend is allowable to compensate for  
6 blending equipment variations. Any person who knowingly sells  
7 or represents as gasohol any fuel that does not qualify as  
8 gasohol under this Act is guilty of a business offense and  
9 shall be fined not more than \$100 for each day that the sale or  
10 representation takes place after notification from the  
11 Department of Agriculture that the fuel in question does not  
12 qualify as gasohol.

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

14 (35 ILCS 105/3-44)

15 Sec. 3-44. Majority blended ethanol fuel. "Majority  
16 blended ethanol fuel" means motor fuel that (i) contains not  
17 less than 51% and no more than 83% by volume ethanol, as  
18 specified in ASTM Standard DS798-11 and (ii) is capable of  
19 being used in the operation of flexible fuel vehicles. ~~70% and~~  
20 ~~no more than 90% denatured ethanol and no less than 10% and no~~  
21 ~~more than 30% gasoline.~~

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

23 (35 ILCS 105/3-44.6 new)

24 Sec. 3-44.6. E20 blended ethanol fuel. "E20 blended ethanol

1 fuel" means a blend of 20% denatured ethanol, ASTM Standard D  
2 4806, and 80% gasoline for use in flexible fuel vehicles.

3 (35 ILCS 105/3-44.7 new)

4 Sec. 3-44.7. E30 blended ethanol fuel. "E30 blended ethanol  
5 fuel" means a blend of 30% denatured ethanol, ASTM Standard D  
6 4806, and 70% gasoline for use in flexible fuel vehicles.

7 Section 15. The Service Use Tax Act is amended by changing  
8 Section 3-10 as follows:

9 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

10 (Text of Section before amendment by P.A. 97-636)

11 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
12 Section, the tax imposed by this Act is at the rate of 6.25% of  
13 the selling price of tangible personal property transferred as  
14 an incident to the sale of service, but, for the purpose of  
15 computing this tax, in no event shall the selling price be less  
16 than the cost price of the property to the serviceman.

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

21 With respect to gasohol, as defined in the Use Tax Act, the  
22 tax imposed by this Act applies to (i) 70% of the selling price  
23 of property transferred as an incident to the sale of service

1 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
2 of 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 June 30, 2012 ~~December 31, 2013~~, (iii) 90% of the selling price  
5 of property transferred as an incident to the sale of service  
6 on or after July 1, 2012, and on or before December 31, 2018,  
7 and (iv) ~~(iii)~~ 100% of the selling price thereafter. If, at any  
8 time, however, the tax under this Act on sales of gasohol, as  
9 defined in the Use Tax Act, is imposed at the rate of 1.25%,  
10 then the tax imposed by this Act applies to 100% of the  
11 proceeds of sales of gasohol made during that time.

12 With respect to E20 blended ethanol fuel, as defined in the  
13 Use Tax Act, the tax imposed by this Act applies to (i) 80% of  
14 the selling price of property transferred as an incident to the  
15 sale of service on or after July 1, 2012 and on or before  
16 December 31, 2018 and (ii) 100% of the selling price  
17 thereafter. If, at any time, however, the tax under this Act on  
18 sales of E20 blended ethanol fuel is imposed at the rate of  
19 1.25%, then the tax imposed by this Act applies to 100% of the  
20 proceeds of sales of E20 blended ethanol fuel made during that  
21 time.

22 With respect to E30 blended ethanol fuel, as defined in the  
23 Use Tax Act, the tax imposed by this Act applies to (i) 60% of  
24 the selling price of property transferred as an incident to the  
25 sale of service on or after July 1, 2012 and on or before  
26 December 31, 2018 and (ii) 100% of the selling price

1 thereafter. If, at any time, however, the tax under this Act on  
2 sales of E30 blended ethanol fuel is imposed at the rate of  
3 1.25%, then the tax imposed by this Act applies to 100% of the  
4 proceeds of sales of E30 blended ethanol fuel made during that  
5 time.

6 With respect to majority blended ethanol fuel, as defined  
7 in the Use Tax Act, the tax imposed by this Act does not apply  
8 to the selling price of property transferred as an incident to  
9 the sale of service on or after July 1, 2003 and on or before  
10 December 31, 2018 ~~December 31, 2013~~ but applies to 100% of the  
11 selling price thereafter.

12 With respect to biodiesel blends, as defined in the Use Tax  
13 Act, with no less than 1% and no more than 10% biodiesel, the  
14 tax imposed by this Act applies to (i) 80% of the selling price  
15 of property transferred as an incident to the sale of service  
16 on or after July 1, 2003 and on or before December 31, 2013 and  
17 (ii) 100% of the proceeds of the selling price thereafter. If,  
18 at any time, however, the tax under this Act on sales of  
19 biodiesel blends, as defined in the Use Tax Act, with no less  
20 than 1% and no more than 10% biodiesel is imposed at the rate  
21 of 1.25%, then the tax imposed by this Act applies to 100% of  
22 the proceeds of sales of biodiesel blends with no less than 1%  
23 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

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

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

15 The tax shall be imposed at the rate of 1% on food prepared  
16 for immediate consumption and transferred incident to a sale of  
17 service subject to this Act or the Service Occupation Tax Act  
18 by an entity licensed under the Hospital Licensing Act, the  
19 Nursing Home Care Act, the ID/DD Community Care Act, the  
20 Specialized Mental Health Rehabilitation Act, or the Child Care  
21 Act of 1969. The tax shall also be imposed at the rate of 1% on  
22 food for human consumption that is to be consumed off the  
23 premises where it is sold (other than alcoholic beverages, soft  
24 drinks, and food that has been prepared for immediate  
25 consumption and is not otherwise included in this paragraph)  
26 and prescription and nonprescription medicines, drugs, medical

1 appliances, modifications to a motor vehicle for the purpose of  
2 rendering it usable by a disabled person, and insulin, urine  
3 testing materials, syringes, and needles used by diabetics, for  
4 human use. For the purposes of this Section, until September 1,  
5 2009: the term "soft drinks" means any complete, finished,  
6 ready-to-use, non-alcoholic drink, whether carbonated or not,  
7 including but not limited to soda water, cola, fruit juice,  
8 vegetable juice, carbonated water, and all other preparations  
9 commonly known as soft drinks of whatever kind or description  
10 that are contained in any closed or sealed bottle, can, carton,  
11 or container, regardless of size; but "soft drinks" does not  
12 include coffee, tea, non-carbonated water, infant formula,  
13 milk or milk products as defined in the Grade A Pasteurized  
14 Milk and Milk Products Act, or drinks containing 50% or more  
15 natural fruit or vegetable juice.

16 Notwithstanding any other provisions of this Act,  
17 beginning September 1, 2009, "soft drinks" means non-alcoholic  
18 beverages that contain natural or artificial sweeteners. "Soft  
19 drinks" do not include beverages that contain milk or milk  
20 products, soy, rice or similar milk substitutes, or greater  
21 than 50% of vegetable or fruit juice by volume.

22 Until August 1, 2009, and notwithstanding any other  
23 provisions of this Act, "food for human consumption that is to  
24 be consumed off the premises where it is sold" includes all  
25 food sold through a vending machine, except soft drinks and  
26 food products that are dispensed hot from a vending machine,

1 regardless of the location of the vending machine. Beginning  
2 August 1, 2009, and notwithstanding any other provisions of  
3 this Act, "food for human consumption that is to be consumed  
4 off the premises where it is sold" includes all food sold  
5 through a vending machine, except soft drinks, candy, and food  
6 products that are dispensed hot from a vending machine,  
7 regardless of the location of the vending machine.

8 Notwithstanding any other provisions of this Act,  
9 beginning September 1, 2009, "food for human consumption that  
10 is to be consumed off the premises where it is sold" does not  
11 include candy. For purposes of this Section, "candy" means a  
12 preparation of sugar, honey, or other natural or artificial  
13 sweeteners in combination with chocolate, fruits, nuts or other  
14 ingredients or flavorings in the form of bars, drops, or  
15 pieces. "Candy" does not include any preparation that contains  
16 flour or requires refrigeration.

17 Notwithstanding any other provisions of this Act,  
18 beginning September 1, 2009, "nonprescription medicines and  
19 drugs" does not include grooming and hygiene products. For  
20 purposes of this Section, "grooming and hygiene products"  
21 includes, but is not limited to, soaps and cleaning solutions,  
22 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
23 lotions and screens, unless those products are available by  
24 prescription only, regardless of whether the products meet the  
25 definition of "over-the-counter-drugs". For the purposes of  
26 this paragraph, "over-the-counter-drug" means a drug for human

1 use that contains a label that identifies the product as a drug  
2 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
3 label includes:

4 (A) A "Drug Facts" panel; or

5 (B) A statement of the "active ingredient(s)" with a  
6 list of those ingredients contained in the compound,  
7 substance or preparation.

8 If the property that is acquired from a serviceman is  
9 acquired outside Illinois and used outside Illinois before  
10 being brought to Illinois for use here and is taxable under  
11 this Act, the "selling price" on which the tax is computed  
12 shall be reduced by an amount that represents a reasonable  
13 allowance for depreciation for the period of prior out-of-state  
14 use.

15 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
16 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10; 97-38,  
17 eff. 6-28-11; 97-227, eff. 1-1-12; revised 9-12-11.)

18 (Text of Section after amendment by P.A. 97-636)

19 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
20 Section, the tax imposed by this Act is at the rate of 6.25% of  
21 the selling price of tangible personal property transferred as  
22 an incident to the sale of service, but, for the purpose of  
23 computing this tax, in no event shall the selling price be less  
24 than the cost price of the property to the serviceman.

25 Beginning on July 1, 2000 and through December 31, 2000,



1 with respect to motor fuel, as defined in Section 1.1 of the  
2 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
3 the Use Tax Act, the tax is imposed at the rate of 1.25%.

4 With respect to gasohol, as defined in the Use Tax Act, the  
5 tax imposed by this Act applies to (i) 70% of the selling price  
6 of property transferred as an incident to the sale of service  
7 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
8 of the selling price of property transferred as an incident to  
9 the sale of service on or after July 1, 2003 and on or before  
10 June 30, 2012 ~~December 31, 2018~~, (iii) 90% of the selling price  
11 of property transferred as an incident to the sale of service  
12 on or after July 1, 2012, and on or before December 31, 2018,  
13 and (iv) ~~(iii)~~ 100% of the selling price thereafter. If, at any  
14 time, however, the tax under this Act on sales of gasohol, as  
15 defined in the Use Tax Act, is imposed at the rate of 1.25%,  
16 then the tax imposed by this Act applies to 100% of the  
17 proceeds of sales of gasohol made during that time.

18 With respect to E20 blended ethanol fuel, as defined in the  
19 Use Tax Act, the tax imposed by this Act applies to (i) 80% of  
20 the selling price of property transferred as an incident to the  
21 sale of service on or after July 1, 2012 and on or before  
22 December 31, 2018 and (ii) 100% of the selling price  
23 thereafter. If, at any time, however, the tax under this Act on  
24 sales of E20 blended ethanol fuel is imposed at the rate of  
25 1.25%, then the tax imposed by this Act applies to 100% of the  
26 proceeds of sales of E20 blended ethanol fuel made during that

1 time.

2 With respect to E30 blended ethanol fuel, as defined in the  
3 Use Tax Act, the tax imposed by this Act applies to (i) 60% of  
4 the selling price of property transferred as an incident to the  
5 sale of service on or after July 1, 2012 and on or before  
6 December 31, 2018 and (ii) 100% of the selling price  
7 thereafter. If, at any time, however, the tax under this Act on  
8 sales of E30 blended ethanol fuel is imposed at the rate of  
9 1.25%, then the tax imposed by this Act applies to 100% of the  
10 proceeds of sales of E30 blended ethanol fuel made during that  
11 time.

12 With respect to majority blended ethanol fuel, as defined  
13 in the Use Tax Act, the tax imposed by this Act does not apply  
14 to the selling price of property transferred as an incident to  
15 the sale of service on or after July 1, 2003 and on or before  
16 December 31, 2018 but applies to 100% of the selling price  
17 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 selling price  
21 of property transferred as an incident to the sale of service  
22 on or after July 1, 2003 and on or before December 31, 2018 and  
23 (ii) 100% of the proceeds of the selling price thereafter. If,  
24 at any time, however, the tax under this Act on sales of  
25 biodiesel blends, as defined in the Use Tax Act, with no less  
26 than 1% and no more than 10% biodiesel is imposed at the rate

1 of 1.25%, then the tax imposed by this Act applies to 100% of  
2 the proceeds of sales of biodiesel blends with no less than 1%  
3 and no more than 10% biodiesel made during that time.

4 With respect to 100% biodiesel, as defined in the Use Tax  
5 Act, and biodiesel blends, as defined in the Use Tax Act, with  
6 more than 10% but no more than 99% biodiesel, the tax imposed  
7 by this Act does not apply to the proceeds of the selling price  
8 of property transferred as an incident to the sale of service  
9 on or after July 1, 2003 and on or before December 31, 2018 but  
10 applies to 100% of the selling price thereafter.

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

21 The tax shall be imposed at the rate of 1% on food prepared  
22 for immediate consumption and transferred incident to a sale of  
23 service subject to this Act or the Service Occupation Tax Act  
24 by an entity licensed under the Hospital Licensing Act, the  
25 Nursing Home Care Act, the ID/DD Community Care Act, the  
26 Specialized Mental Health Rehabilitation Act, or the Child Care

1 Act of 1969. The tax shall also be imposed at the rate of 1% on  
2 food for human consumption that is to be consumed off the  
3 premises where it is sold (other than alcoholic beverages, soft  
4 drinks, and food that has been prepared for immediate  
5 consumption and is not otherwise included in this paragraph)  
6 and prescription and nonprescription medicines, drugs, medical  
7 appliances, modifications to a motor vehicle for the purpose of  
8 rendering it usable by a disabled person, and insulin, urine  
9 testing materials, syringes, and needles used by diabetics, for  
10 human use. For the purposes of this Section, until September 1,  
11 2009: the term "soft drinks" means any complete, finished,  
12 ready-to-use, non-alcoholic drink, whether carbonated or not,  
13 including but not limited to soda water, cola, fruit juice,  
14 vegetable juice, carbonated water, and all other preparations  
15 commonly known as soft drinks of whatever kind or description  
16 that are contained in any closed or sealed bottle, can, carton,  
17 or container, regardless of size; but "soft drinks" does not  
18 include coffee, tea, non-carbonated water, infant formula,  
19 milk or milk products as defined in the Grade A Pasteurized  
20 Milk and Milk Products Act, or drinks containing 50% or more  
21 natural fruit or vegetable juice.

22 Notwithstanding any other provisions of this Act,  
23 beginning September 1, 2009, "soft drinks" means non-alcoholic  
24 beverages that contain natural or artificial sweeteners. "Soft  
25 drinks" do not include beverages that contain milk or milk  
26 products, soy, rice or similar milk substitutes, or greater

1 than 50% of vegetable or fruit juice by volume.

2       Until August 1, 2009, and notwithstanding any other  
3 provisions of this Act, "food for human consumption that is to  
4 be consumed off the premises where it is sold" includes all  
5 food sold through a vending machine, except soft drinks and  
6 food products that are dispensed hot from a vending machine,  
7 regardless of the location of the vending machine. Beginning  
8 August 1, 2009, and notwithstanding any other provisions of  
9 this Act, "food for human consumption that is to be consumed  
10 off the premises where it is sold" includes all food sold  
11 through a vending machine, except soft drinks, candy, and food  
12 products that are dispensed hot from a vending machine,  
13 regardless of the location of the vending machine.

14       Notwithstanding any other provisions of this Act,  
15 beginning September 1, 2009, "food for human consumption that  
16 is to be consumed off the premises where it is sold" does not  
17 include candy. For purposes of this Section, "candy" means a  
18 preparation of sugar, honey, or other natural or artificial  
19 sweeteners in combination with chocolate, fruits, nuts or other  
20 ingredients or flavorings in the form of bars, drops, or  
21 pieces. "Candy" does not include any preparation that contains  
22 flour or requires refrigeration.

23       Notwithstanding any other provisions of this Act,  
24 beginning September 1, 2009, "nonprescription medicines and  
25 drugs" does not include grooming and hygiene products. For  
26 purposes of this Section, "grooming and hygiene products"

1 includes, but is not limited to, soaps and cleaning solutions,  
2 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
3 lotions and screens, unless those products are available by  
4 prescription only, regardless of whether the products meet the  
5 definition of "over-the-counter-drugs". For the purposes of  
6 this paragraph, "over-the-counter-drug" means a drug for human  
7 use that contains a label that identifies the product as a drug  
8 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
9 label includes:

10 (A) A "Drug Facts" panel; or

11 (B) A statement of the "active ingredient(s)" with a  
12 list of those ingredients contained in the compound,  
13 substance or preparation.

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

21 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
22 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10; 97-38,  
23 eff. 6-28-11; 97-227, eff. 1-1-12; 97-636, eff. 6-1-12.)

24 Section 20. The Service Occupation Tax Act is amended by  
25 changing Section 3-10 as follows:

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

2 (Text of Section before amendment by P.A. 97-636)

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

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

25 With respect to gasohol, as defined in the Use Tax Act, the

1 tax imposed by this Act shall apply to (i) 70% of the cost  
2 price of property transferred as an incident to the sale of  
3 service on or after January 1, 1990, and before July 1, 2003,  
4 (ii) 80% of the selling price of property transferred as an  
5 incident to the sale of service on or after July 1, 2003 and on  
6 or before June 30, 2012 ~~December 31, 2013~~, (iii) 90% of the  
7 selling price of property transferred as an incident to the  
8 sale of service on or after July 1, 2012, and on or before  
9 December 31, 2018, and (iv) ~~(iii)~~ 100% of the cost price  
10 thereafter. If, at any time, however, the tax under this Act on  
11 sales of gasohol, as defined in the Use Tax Act, is imposed at  
12 the rate of 1.25%, then the tax imposed by this Act applies to  
13 100% of the proceeds of sales of gasohol made during that time.

14 With respect to E20 blended ethanol fuel, as defined in the  
15 Use Tax Act, the tax imposed by this Act applies to (i) 80% of  
16 the selling price of property transferred as an incident to the  
17 sale of service on or after July 1, 2012 and on or before  
18 December 31, 2018 and (ii) 100% of the selling price  
19 thereafter. If, at any time, however, the tax under this Act on  
20 sales of E20 blended ethanol fuel is imposed at the rate of  
21 1.25%, then the tax imposed by this Act applies to 100% of the  
22 proceeds of sales of E20 blended ethanol fuel made during that  
23 time.

24 With respect to E30 blended ethanol fuel, as defined in the  
25 Use Tax Act, the tax imposed by this Act applies to (i) 60% of  
26 the selling price of property transferred as an incident to the



1 sale of service on or after July 1, 2012 and on or before  
2 December 31, 2018 and (ii) 100% of the selling price  
3 thereafter. If, at any time, however, the tax under this Act on  
4 sales of E30 blended ethanol fuel is imposed at the rate of  
5 1.25%, then the tax imposed by this Act applies to 100% of the  
6 proceeds of sales of E30 blended ethanol fuel made during that  
7 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 selling price of property transferred as an incident to  
11 the sale of service on or after July 1, 2003 and on or before  
12 December 31, 2018 ~~December 31, 2013~~ but applies to 100% of the  
13 selling price thereafter.

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

26 With respect to 100% biodiesel, as defined in the Use Tax

1 Act, and biodiesel blends, as defined in the Use Tax Act, with  
2 more than 10% but no more than 99% biodiesel material, the tax  
3 imposed by this Act does not apply to the proceeds of the  
4 selling price of property transferred as an incident to the  
5 sale of service on or after July 1, 2003 and on or before  
6 December 31, 2013 but applies to 100% of the selling price  
7 thereafter.

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

18 The tax shall be imposed at the rate of 1% on food prepared  
19 for immediate consumption and transferred incident to a sale of  
20 service subject to this Act or the Service Occupation Tax Act  
21 by an entity licensed under the Hospital Licensing Act, the  
22 Nursing Home Care Act, the ID/DD Community Care Act, the  
23 Specialized Mental Health Rehabilitation Act, or the Child Care  
24 Act of 1969. The tax shall also be imposed at the rate of 1% on  
25 food for human consumption that is to be consumed off the  
26 premises where it is sold (other than alcoholic beverages, soft

1 drinks, and food that has been prepared for immediate  
2 consumption and is not otherwise included in this paragraph)  
3 and prescription and nonprescription medicines, drugs, medical  
4 appliances, modifications to a motor vehicle for the purpose of  
5 rendering it usable by a disabled person, and insulin, urine  
6 testing materials, syringes, and needles used by diabetics, for  
7 human use. For the purposes of this Section, until September 1,  
8 2009: the term "soft drinks" means any complete, finished,  
9 ready-to-use, non-alcoholic drink, whether carbonated or not,  
10 including but not limited to soda water, cola, fruit juice,  
11 vegetable juice, carbonated water, and all other preparations  
12 commonly known as soft drinks of whatever kind or description  
13 that are contained in any closed or sealed can, carton, or  
14 container, regardless of size; but "soft drinks" does not  
15 include coffee, tea, non-carbonated water, infant formula,  
16 milk or milk products as defined in the Grade A Pasteurized  
17 Milk and Milk Products Act, or drinks containing 50% or more  
18 natural fruit or vegetable juice.

19 Notwithstanding any other provisions of this Act,  
20 beginning September 1, 2009, "soft drinks" means non-alcoholic  
21 beverages that contain natural or artificial sweeteners. "Soft  
22 drinks" do not include beverages that contain milk or milk  
23 products, soy, rice or similar milk substitutes, or greater  
24 than 50% of vegetable or fruit juice by volume.

25 Until August 1, 2009, and notwithstanding any other  
26 provisions of this Act, "food for human consumption that is to

1 be consumed off the premises where it is sold" includes all  
2 food sold through a vending machine, except soft drinks and  
3 food products that are dispensed hot from a vending machine,  
4 regardless of the location of the vending machine. Beginning  
5 August 1, 2009, and notwithstanding any other provisions of  
6 this Act, "food for human consumption that is to be consumed  
7 off the premises where it is sold" includes all food sold  
8 through a vending machine, except soft drinks, candy, and food  
9 products that are dispensed hot from a vending machine,  
10 regardless of the location of the vending machine.

11 Notwithstanding any other provisions of this Act,  
12 beginning September 1, 2009, "food for human consumption that  
13 is to be consumed off the premises where it is sold" does not  
14 include candy. For purposes of this Section, "candy" means a  
15 preparation of sugar, honey, or other natural or artificial  
16 sweeteners in combination with chocolate, fruits, nuts or other  
17 ingredients or flavorings in the form of bars, drops, or  
18 pieces. "Candy" does not include any preparation that contains  
19 flour or requires refrigeration.

20 Notwithstanding any other provisions of this Act,  
21 beginning September 1, 2009, "nonprescription medicines and  
22 drugs" does not include grooming and hygiene products. For  
23 purposes of this Section, "grooming and hygiene products"  
24 includes, but is not limited to, soaps and cleaning solutions,  
25 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
26 lotions and screens, unless those products are available by

1 prescription only, regardless of whether the products meet the  
2 definition of "over-the-counter-drugs". For the purposes of  
3 this paragraph, "over-the-counter-drug" means a drug for human  
4 use that contains a label that identifies the product as a drug  
5 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
6 label includes:

7 (A) A "Drug Facts" panel; or

8 (B) A statement of the "active ingredient(s)" with a  
9 list of those ingredients contained in the compound,  
10 substance or preparation.

11 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
12 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10; 97-38,  
13 eff. 6-28-11; 97-227, eff. 1-1-12; revised 9-12-11.)

14 (Text of Section after amendment by P.A. 97-636)

15 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
16 Section, the tax imposed by this Act is at the rate of 6.25% of  
17 the "selling price", as defined in Section 2 of the Service Use  
18 Tax Act, of the tangible personal property. For the purpose of  
19 computing this tax, in no event shall the "selling price" be  
20 less than the cost price to the serviceman of the tangible  
21 personal property transferred. The selling price of each item  
22 of tangible personal property transferred as an incident of a  
23 sale of service may be shown as a distinct and separate item on  
24 the serviceman's billing to the service customer. If the  
25 selling price is not so shown, the selling price of the

1 tangible personal property is deemed to be 50% of the  
2 serviceman's entire billing to the service customer. When,  
3 however, a serviceman contracts to design, develop, and produce  
4 special order machinery or equipment, the tax imposed by this  
5 Act shall be based on the serviceman's cost price of the  
6 tangible personal property transferred incident to the  
7 completion of the contract.

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

12 With respect to gasohol, as defined in the Use Tax Act, the  
13 tax imposed by this Act shall apply to (i) 70% of the cost  
14 price of property transferred as an incident to the sale of  
15 service on or after January 1, 1990, and before July 1, 2003,  
16 (ii) 80% of the selling price of property transferred as an  
17 incident to the sale of service on or after July 1, 2003 and on  
18 or before June 30, 2012 ~~December 31, 2018~~, (iii) 90% of the  
19 selling price of property transferred as an incident to the  
20 sale of service on or after July 1, 2012, and on or before  
21 December 31, 2018, and (iv) ~~(iii)~~ 100% of the cost price  
22 thereafter. If, at any time, however, the tax under this Act on  
23 sales of gasohol, as defined in the Use Tax Act, is imposed at  
24 the rate of 1.25%, then the tax imposed by this Act applies to  
25 100% of the proceeds of sales of gasohol made during that time.

26 With respect to E20 blended ethanol fuel, as defined in the

1 Use Tax Act, the tax imposed by this Act applies to (i) 80% of  
2 the selling price of property transferred as an incident to the  
3 sale of service on or after July 1, 2012 and on or before  
4 December 31, 2018 and (ii) 100% of the selling price  
5 thereafter. If, at any time, however, the tax under this Act on  
6 sales of E20 blended ethanol fuel is imposed at the rate of  
7 1.25%, then the tax imposed by this Act applies to 100% of the  
8 proceeds of sales of E20 blended ethanol fuel made during that  
9 time.

10 With respect to E30 blended ethanol fuel, as defined in the  
11 Use Tax Act, the tax imposed by this Act applies to (i) 60% of  
12 the selling price of property transferred as an incident to the  
13 sale of service on or after July 1, 2012 and on or before  
14 December 31, 2018 and (ii) 100% of the selling price  
15 thereafter. If, at any time, however, the tax under this Act on  
16 sales of E30 blended ethanol fuel is imposed at the rate of  
17 1.25%, then the tax imposed by this Act applies to 100% of the  
18 proceeds of sales of E30 blended ethanol fuel made during that  
19 time.

20 With respect to majority blended ethanol fuel, as defined  
21 in the Use Tax Act, the tax imposed by this Act does not apply  
22 to the selling price of property transferred as an incident to  
23 the sale of service on or after July 1, 2003 and on or before  
24 December 31, 2018 but applies to 100% of the selling price  
25 thereafter.

26 With respect to biodiesel blends, as defined in the Use Tax

1 Act, with no less than 1% and no more than 10% biodiesel, the  
2 tax imposed by this Act applies to (i) 80% of the selling price  
3 of property transferred as an incident to the sale of service  
4 on or after July 1, 2003 and on or before December 31, 2018 and  
5 (ii) 100% of the proceeds of the selling price thereafter. If,  
6 at any time, however, the tax under this Act on sales of  
7 biodiesel blends, as defined in the Use Tax Act, with no less  
8 than 1% and no more than 10% biodiesel is imposed at the rate  
9 of 1.25%, then the tax imposed by this Act applies to 100% of  
10 the proceeds of sales of biodiesel blends with no less than 1%  
11 and no more than 10% biodiesel made during that time.

12 With respect to 100% biodiesel, as defined in the Use Tax  
13 Act, and biodiesel blends, as defined in the Use Tax Act, with  
14 more than 10% but no more than 99% biodiesel material, the tax  
15 imposed by this Act does not apply to the proceeds of the  
16 selling price of property transferred as an incident to the  
17 sale of service on or after July 1, 2003 and on or before  
18 December 31, 2018 but applies to 100% of the selling price  
19 thereafter.

20 At the election of any registered serviceman made for each  
21 fiscal year, sales of service in which the aggregate annual  
22 cost price of tangible personal property transferred as an  
23 incident to the sales of service is less than 35%, or 75% in  
24 the case of servicemen transferring prescription drugs or  
25 servicemen engaged in graphic arts production, of the aggregate  
26 annual total gross receipts from all sales of service, the tax



1 imposed by this Act shall be based on the serviceman's cost  
2 price of the tangible personal property transferred incident to  
3 the sale of those services.

4 The tax shall be imposed at the rate of 1% on food prepared  
5 for immediate consumption and transferred incident to a sale of  
6 service subject to this Act or the Service Occupation Tax Act  
7 by an entity licensed under the Hospital Licensing Act, the  
8 Nursing Home Care Act, the ID/DD Community Care Act, the  
9 Specialized Mental Health Rehabilitation Act, or the Child Care  
10 Act of 1969. The tax shall also be imposed at the rate of 1% on  
11 food for human consumption that is to be consumed off the  
12 premises where it is sold (other than alcoholic beverages, soft  
13 drinks, and food that has been prepared for immediate  
14 consumption and is not otherwise included in this paragraph)  
15 and prescription and nonprescription medicines, drugs, medical  
16 appliances, modifications to a motor vehicle for the purpose of  
17 rendering it usable by a disabled person, and insulin, urine  
18 testing materials, syringes, and needles used by diabetics, for  
19 human use. For the purposes of this Section, until September 1,  
20 2009: the term "soft drinks" means any complete, finished,  
21 ready-to-use, non-alcoholic drink, whether carbonated or not,  
22 including but not limited to soda water, cola, fruit juice,  
23 vegetable juice, carbonated water, and all other preparations  
24 commonly known as soft drinks of whatever kind or description  
25 that are contained in any closed or sealed can, carton, or  
26 container, regardless of size; but "soft drinks" does not

1 include coffee, tea, non-carbonated water, infant formula,  
2 milk or milk products as defined in the Grade A Pasteurized  
3 Milk and Milk Products Act, or drinks containing 50% or more  
4 natural fruit or vegetable juice.

5 Notwithstanding any other provisions of this Act,  
6 beginning September 1, 2009, "soft drinks" means non-alcoholic  
7 beverages that contain natural or artificial sweeteners. "Soft  
8 drinks" do not include beverages that contain milk or milk  
9 products, soy, rice or similar milk substitutes, or greater  
10 than 50% of vegetable or fruit juice by volume.

11 Until August 1, 2009, and notwithstanding any other  
12 provisions of this Act, "food for human consumption that is to  
13 be consumed off the premises where it is sold" includes all  
14 food sold through a vending machine, except soft drinks and  
15 food products that are dispensed hot from a vending machine,  
16 regardless of the location of the vending machine. Beginning  
17 August 1, 2009, and notwithstanding any other provisions of  
18 this Act, "food for human consumption that is to be consumed  
19 off the premises where it is sold" includes all food sold  
20 through a vending machine, except soft drinks, candy, and food  
21 products that are dispensed hot from a vending machine,  
22 regardless of the location of the vending machine.

23 Notwithstanding any other provisions of this Act,  
24 beginning September 1, 2009, "food for human consumption that  
25 is to be consumed off the premises where it is sold" does not  
26 include candy. For purposes of this Section, "candy" means a

1 preparation of sugar, honey, or other natural or artificial  
2 sweeteners in combination with chocolate, fruits, nuts or other  
3 ingredients or flavorings in the form of bars, drops, or  
4 pieces. "Candy" does not include any preparation that contains  
5 flour or requires refrigeration.

6 Notwithstanding any other provisions of this Act,  
7 beginning September 1, 2009, "nonprescription medicines and  
8 drugs" does not include grooming and hygiene products. For  
9 purposes of this Section, "grooming and hygiene products"  
10 includes, but is not limited to, soaps and cleaning solutions,  
11 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
12 lotions and screens, unless those products are available by  
13 prescription only, regardless of whether the products meet the  
14 definition of "over-the-counter-drugs". For the purposes of  
15 this paragraph, "over-the-counter-drug" means a drug for human  
16 use that contains a label that identifies the product as a drug  
17 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
18 label includes:

19 (A) A "Drug Facts" panel; or

20 (B) A statement of the "active ingredient(s)" with a  
21 list of those ingredients contained in the compound,  
22 substance or preparation.

23 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
24 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10; 97-38,  
25 eff. 6-28-11; 97-227, eff. 1-1-12; 97-636, eff. 6-1-12.)

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

3           (35 ILCS 120/2-10)

4           (Text of Section before amendment by P.A. 97-636)

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

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

13           Beginning on August 6, 2010 through August 15, 2010, with  
14 respect to sales tax holiday items as defined in Section 2-8 of  
15 this Act, the tax is imposed at the rate of 1.25%.

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

1 inches by 8 inches. The sign shall be clearly visible to  
2 customers. Any retailer who fails to post or maintain a  
3 required sign through December 31, 2000 is guilty of a petty  
4 offense for which the fine shall be \$500 per day per each  
5 retail premises where a violation occurs.

6 With respect to gasohol, as defined in the Use Tax Act, the  
7 tax imposed by this Act applies to (i) 70% of the proceeds of  
8 sales made on or after January 1, 1990, and before July 1,  
9 2003, (ii) 80% of the proceeds of sales made on or after July  
10 1, 2003 and on or before June 30, 2012 ~~December 31, 2013~~, (iii)  
11 90% of the proceeds of sales made on or after July 1, 2012 and  
12 on or before December 31, 2018, and (iv) ~~(iii)~~ 100% of the  
13 proceeds of sales made thereafter. If, at any time, however,  
14 the tax under this Act on sales of gasohol, as defined in the  
15 Use Tax Act, is imposed at the rate of 1.25%, then the tax  
16 imposed by this Act applies to 100% of the proceeds of sales of  
17 gasohol made during that time.

18 With respect to E20 blended ethanol fuel, as defined in the  
19 Use Tax Act, the tax imposed by this Act applies to (i) 80% of  
20 the proceeds of sales made on or after July 1, 2012 and on or  
21 before December 31, 2018 and (ii) 100% of the proceeds of sales  
22 made thereafter. If, at any time, however, the tax under this  
23 Act on sales of E20 blended ethanol fuel is imposed at the rate  
24 of 1.25%, then the tax imposed by this Act applies to 100% of  
25 the proceeds of sales of E20 blended ethanol fuel made during  
26 that time.

1       With respect to E30 blended ethanol fuel, as defined in the  
2 Use Tax Act, the tax imposed by this Act applies to (i) 60% of  
3 the proceeds of sales made on or after July 1, 2012 and on or  
4 before December 31, 2018 and (ii) 100% of the proceeds of sales  
5 made thereafter. If, at any time, however, the tax under this  
6 Act on sales of E30 blended ethanol fuel is imposed at the rate  
7 of 1.25%, then the tax imposed by this Act applies to 100% of  
8 the proceeds of sales of E30 blended ethanol fuel made during  
9 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 proceeds of sales made on or after July 1, 2003 and on or  
13 before December 31, 2018 ~~December 31, 2013~~ but applies to 100%  
14 of the proceeds of sales made thereafter.

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

26       With respect to 100% biodiesel, as defined in the Use Tax

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

6 With respect to food for human consumption that is to be  
7 consumed off the premises where it is sold (other than  
8 alcoholic beverages, soft drinks, and food that has been  
9 prepared for immediate consumption) and prescription and  
10 nonprescription medicines, drugs, medical appliances,  
11 modifications to a motor vehicle for the purpose of rendering  
12 it usable by a disabled person, and insulin, urine testing  
13 materials, syringes, and needles used by diabetics, for human  
14 use, the tax is imposed at the rate of 1%. For the purposes of  
15 this Section, until September 1, 2009: the term "soft drinks"  
16 means any complete, finished, ready-to-use, non-alcoholic  
17 drink, whether carbonated or not, including but not limited to  
18 soda water, cola, fruit juice, vegetable juice, carbonated  
19 water, and all other preparations commonly known as soft drinks  
20 of whatever kind or description that are contained in any  
21 closed or sealed bottle, can, carton, or container, regardless  
22 of size; but "soft drinks" does not include coffee, tea,  
23 non-carbonated water, infant formula, milk or milk products as  
24 defined in the Grade A Pasteurized Milk and Milk Products Act,  
25 or drinks containing 50% or more natural fruit or vegetable  
26 juice.

1           Notwithstanding any other provisions of this Act,  
2 beginning September 1, 2009, "soft drinks" means non-alcoholic  
3 beverages that contain natural or artificial sweeteners. "Soft  
4 drinks" do not include beverages that contain milk or milk  
5 products, soy, rice or similar milk substitutes, or greater  
6 than 50% of vegetable or fruit juice by volume.

7           Until August 1, 2009, and notwithstanding any other  
8 provisions of this Act, "food for human consumption that is to  
9 be consumed off the premises where it is sold" includes all  
10 food sold through a vending machine, except soft drinks and  
11 food products that are dispensed hot from a vending machine,  
12 regardless of the location of the vending machine. Beginning  
13 August 1, 2009, and notwithstanding any other provisions of  
14 this Act, "food for human consumption that is to be consumed  
15 off the premises where it is sold" includes all food sold  
16 through a vending machine, except soft drinks, candy, and food  
17 products that are dispensed hot from a vending machine,  
18 regardless of the location of the vending machine.

19           Notwithstanding any other provisions of this Act,  
20 beginning September 1, 2009, "food for human consumption that  
21 is to be consumed off the premises where it is sold" does not  
22 include candy. For purposes of this Section, "candy" means a  
23 preparation of sugar, honey, or other natural or artificial  
24 sweeteners in combination with chocolate, fruits, nuts or other  
25 ingredients or flavorings in the form of bars, drops, or  
26 pieces. "Candy" does not include any preparation that contains



1 flour or requires refrigeration.

2 Notwithstanding any other provisions of this Act,  
3 beginning September 1, 2009, "nonprescription medicines and  
4 drugs" does not include grooming and hygiene products. For  
5 purposes of this Section, "grooming and hygiene products"  
6 includes, but is not limited to, soaps and cleaning solutions,  
7 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
8 lotions and screens, unless those products are available by  
9 prescription only, regardless of whether the products meet the  
10 definition of "over-the-counter-drugs". For the purposes of  
11 this paragraph, "over-the-counter-drug" means a drug for human  
12 use that contains a label that identifies the product as a drug  
13 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
14 label includes:

15 (A) A "Drug Facts" panel; or

16 (B) A statement of the "active ingredient(s)" with a  
17 list of those ingredients contained in the compound,  
18 substance or preparation.

19 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
20 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10.)

21 (Text of Section after amendment by P.A. 97-636)

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

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

5           Beginning on August 6, 2010 through August 15, 2010, with  
6 respect to sales tax holiday items as defined in Section 2-8 of  
7 this Act, the tax is imposed at the rate of 1.25%.

8           Within 14 days after the effective date of this amendatory  
9 Act of the 91st General Assembly, each retailer of motor fuel  
10 and gasohol shall cause the following notice to be posted in a  
11 prominently visible place on each retail dispensing device that  
12 is used to dispense motor fuel or gasohol in the State of  
13 Illinois: "As of July 1, 2000, the State of Illinois has  
14 eliminated the State's share of sales tax on motor fuel and  
15 gasohol through December 31, 2000. The price on this pump  
16 should reflect the elimination of the tax." The notice shall be  
17 printed in bold print on a sign that is no smaller than 4  
18 inches by 8 inches. The sign shall be clearly visible to  
19 customers. Any retailer who fails to post or maintain a  
20 required sign through December 31, 2000 is guilty of a petty  
21 offense for which the fine shall be \$500 per day per each  
22 retail premises where a violation occurs.

23           With respect to gasohol, as defined in the Use Tax Act, the  
24 tax imposed by this Act applies to (i) 70% of the proceeds of  
25 sales made on or after January 1, 1990, and before July 1,  
26 2003, (ii) 80% of the proceeds of sales made on or after July

1 1, 2003 and on or before June 30, 2012 ~~December 31, 2018~~, (iii)  
2 90% of the proceeds of sales made on or after July 1, 2012 and  
3 on or before December 31, 2018, and (iv) ~~(iii)~~ 100% of the  
4 proceeds of sales made thereafter. If, at any time, however,  
5 the tax under this Act on sales of gasohol, as defined in the  
6 Use Tax Act, is imposed at the rate of 1.25%, then the tax  
7 imposed by this Act applies to 100% of the proceeds of sales of  
8 gasohol made during that time.

9 With respect to E20 blended ethanol fuel, as defined in the  
10 Use Tax Act, the tax imposed by this Act applies to (i) 80% of  
11 the proceeds of sales made on or after July 1, 2012 and on or  
12 before December 31, 2018 and (ii) 100% of the proceeds of sales  
13 made thereafter. If, at any time, however, the tax under this  
14 Act on sales of E20 blended ethanol fuel 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 E20 blended ethanol fuel made during  
17 that time.

18 With respect to E30 blended ethanol fuel, as defined in the  
19 Use Tax Act, the tax imposed by this Act applies to (i) 60% of  
20 the proceeds of sales made on or after July 1, 2012 and on or  
21 before December 31, 2018 and (ii) 100% of the proceeds of sales  
22 made thereafter. If, at any time, however, the tax under this  
23 Act on sales of E30 blended ethanol fuel is imposed at the rate  
24 of 1.25%, then the tax imposed by this Act applies to 100% of  
25 the proceeds of sales of E30 blended ethanol fuel made during  
26 that time.

1           With respect to majority blended ethanol fuel, as defined  
2 in the Use Tax Act, the tax imposed by this Act does not apply  
3 to the proceeds of sales made on or after July 1, 2003 and on or  
4 before December 31, 2018 but applies to 100% of the proceeds of  
5 sales made 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 proceeds of  
9 sales made on or after July 1, 2003 and on or before December  
10 31, 2018 and (ii) 100% of the proceeds of sales made  
11 thereafter. If, at any time, however, the tax under this Act on  
12 sales of biodiesel blends, as defined in the Use Tax Act, with  
13 no less than 1% and no more than 10% biodiesel is imposed at  
14 the rate of 1.25%, then the tax imposed by this Act applies to  
15 100% of the proceeds of sales of biodiesel blends with no less  
16 than 1% and no more than 10% biodiesel made during that time.

17           With respect to 100% biodiesel, as defined in the Use Tax  
18 Act, and biodiesel blends, as defined in the Use Tax Act, with  
19 more than 10% but no more than 99% biodiesel, the tax imposed  
20 by this Act does not apply to the proceeds of sales made on or  
21 after July 1, 2003 and on or before December 31, 2018 but  
22 applies to 100% of the proceeds of sales made thereafter.

23           With respect to food for human consumption that is to be  
24 consumed off the premises where it is sold (other than  
25 alcoholic beverages, soft drinks, and food that has been  
26 prepared for immediate consumption) and prescription and

1 nonprescription medicines, drugs, medical appliances,  
2 modifications to a motor vehicle for the purpose of rendering  
3 it usable by a disabled person, and insulin, urine testing  
4 materials, syringes, and needles used by diabetics, for human  
5 use, the tax is imposed at the rate of 1%. For the purposes of  
6 this Section, until September 1, 2009: the term "soft drinks"  
7 means any complete, finished, ready-to-use, non-alcoholic  
8 drink, whether carbonated or not, including but not limited to  
9 soda water, cola, fruit juice, vegetable juice, carbonated  
10 water, and all other preparations commonly known as soft drinks  
11 of whatever kind or description that are contained in any  
12 closed or sealed bottle, can, carton, or container, regardless  
13 of size; but "soft drinks" does not include coffee, tea,  
14 non-carbonated water, infant formula, milk or milk products as  
15 defined in the Grade A Pasteurized Milk and Milk Products Act,  
16 or drinks containing 50% or more natural fruit or vegetable  
17 juice.

18 Notwithstanding any other provisions of this Act,  
19 beginning September 1, 2009, "soft drinks" means non-alcoholic  
20 beverages that contain natural or artificial sweeteners. "Soft  
21 drinks" do not include beverages that contain milk or milk  
22 products, soy, rice or similar milk substitutes, or greater  
23 than 50% of vegetable or fruit juice by volume.

24 Until August 1, 2009, and notwithstanding any other  
25 provisions of this Act, "food for human consumption that is to  
26 be consumed off the premises where it is sold" includes all

1 food sold through a vending machine, except soft drinks and  
2 food products that are dispensed hot from a vending machine,  
3 regardless of the location of the vending machine. Beginning  
4 August 1, 2009, and notwithstanding any other provisions of  
5 this Act, "food for human consumption that is to be consumed  
6 off the premises where it is sold" includes all food sold  
7 through a vending machine, except soft drinks, candy, and food  
8 products that are dispensed hot from a vending machine,  
9 regardless of the location of the vending machine.

10 Notwithstanding any other provisions of this Act,  
11 beginning September 1, 2009, "food for human consumption that  
12 is to be consumed off the premises where it is sold" does not  
13 include candy. For purposes of this Section, "candy" means a  
14 preparation of sugar, honey, or other natural or artificial  
15 sweeteners in combination with chocolate, fruits, nuts or other  
16 ingredients or flavorings in the form of bars, drops, or  
17 pieces. "Candy" does not include any preparation that contains  
18 flour or requires refrigeration.

19 Notwithstanding any other provisions of this Act,  
20 beginning September 1, 2009, "nonprescription medicines and  
21 drugs" does not include grooming and hygiene products. For  
22 purposes of this Section, "grooming and hygiene products"  
23 includes, but is not limited to, soaps and cleaning solutions,  
24 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
25 lotions and screens, unless those products are available by  
26 prescription only, regardless of whether the products meet the

1 definition of "over-the-counter-drugs". For the purposes of  
2 this paragraph, "over-the-counter-drug" means a drug for human  
3 use that contains a label that identifies the product as a drug  
4 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
5 label includes:

6 (A) A "Drug Facts" panel; or

7 (B) A statement of the "active ingredient(s)" with a  
8 list of those ingredients contained in the compound,  
9 substance or preparation.

10 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
11 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10;  
12 97-636, eff. 6-1-12.)

13 Section 95. No acceleration or delay. Where this Act makes  
14 changes in a statute that is represented in this Act by text  
15 that is not yet or no longer in effect (for example, a Section  
16 represented by multiple versions), the use of that text does  
17 not accelerate or delay the taking effect of (i) the changes  
18 made by this Act or (ii) provisions derived from any other  
19 Public Act.

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.