



## 99TH GENERAL ASSEMBLY

### State of Illinois

### 2015 and 2016

#### HB3174

by Rep. Mike Fortner

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.866 new	
30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
30 ILCS 105/8.3	from Ch. 127, par. 144.3
30 ILCS 105/8h	
35 ILCS 105/3-10	
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	
35 ILCS 505/2	from Ch. 120, par. 418
35 ILCS 505/8	from Ch. 120, par. 424
35 ILCS 505/8b new	

Amends the State Finance Act. Creates the Metropolitan Transit and Road Improvement Fund as a special fund in the State treasury. Provides that, beginning with fiscal year 2016 and thereafter, Road Fund moneys may not be appropriated to certain executive agencies. Prohibits certain transfers from the Road Fund or the State Construction Account Fund. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, beginning on July 1, 2015, motor fuel and gasohol must be taxed under the Acts at the rate of 1.25% (now, 6.25%). Amends the Motor Fuel Tax Law. Imposes an additional tax of \$0.150 per gallon on motor fuel sold in the State. Provides that this additional tax must be adjusted each fiscal year to account for inflation. Provides that the proceeds of this additional tax must be deposited into the Metropolitan Transit and Road Improvement Fund and sets forth certain requirements regarding distributions from that Fund. Effective July 1, 2015.

LRB099 08443 SXM 28597 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by changing  
5 Sections 6z-18, 6z-20, 8.3, and 8h and adding Section 5.866 as  
6 follows:

7 (30 ILCS 105/5.866 new)

8 Sec. 5.866. The Metropolitan Transit and Road Improvement  
9 Fund.

10 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

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

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

15           A portion of the money paid into the Local Government Tax  
16 Fund from the 6.25% general rate (and, beginning July 1, 2000  
17 and beginning again on July 1, 2015 and through December 31,  
18 2000, the 1.25% rate on motor fuel and gasohol, and beginning  
19 on August 6, 2010 through August 15, 2010, the 1.25% rate on  
20 sales tax holiday items) on sales subject to taxation under the  
21 Retailers' Occupation Tax Act and the Service Occupation Tax  
22 Act, which occurred in municipalities, shall be distributed to  
23 each municipality, based upon the sales which occurred in that  
24 municipality. The remainder shall be distributed to each  
25 county, based upon the sales which occurred in the  
26 unincorporated area of such county.

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

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

18           As soon as possible after the first day of each month,  
19 beginning January 1, 2011, upon certification of the Department  
20 of Revenue, the Comptroller shall order transferred, and the  
21 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
22 local sales tax increment, as defined in the Innovation  
23 Development and Economy Act, collected during the second  
24 preceding calendar month for sales within a STAR bond district  
25 and deposited into the Local Government Tax Fund, less 3% of  
26 that amount, which shall be transferred into the Tax Compliance

1 and Administration Fund and shall be used by the Department,  
2 subject to appropriation, to cover the costs of the Department  
3 in administering the Innovation Development and Economy Act.

4 After the monthly transfer to the STAR Bonds Revenue Fund,  
5 on or before the 25th day of each calendar month, the  
6 Department shall prepare and certify to the Comptroller the  
7 disbursement of stated sums of money to named municipalities  
8 and counties, the municipalities and counties to be those  
9 entitled to distribution of taxes or penalties paid to the  
10 Department during the second preceding calendar month. The  
11 amount to be paid to each municipality or county shall be the  
12 amount (not including credit memoranda) collected during the  
13 second preceding calendar month by the Department and paid into  
14 the Local Government Tax Fund, plus an amount the Department  
15 determines is necessary to offset any amounts which were  
16 erroneously paid to a different taxing body, and not including  
17 an amount equal to the amount of refunds made during the second  
18 preceding calendar month by the Department, and not including  
19 any amount which the Department determines is necessary to  
20 offset any amounts which are payable to a different taxing body  
21 but were erroneously paid to the municipality or county, and  
22 not including any amounts that are transferred to the STAR  
23 Bonds Revenue Fund. Within 10 days after receipt, by the  
24 Comptroller, of the disbursement certification to the  
25 municipalities and counties, provided for in this Section to be  
26 given to the Comptroller by the Department, the Comptroller

1 shall cause the orders to be drawn for the respective amounts  
2 in accordance with the directions contained in such  
3 certification.

4 When certifying the amount of monthly disbursement to a  
5 municipality or county under this Section, the Department shall  
6 increase or decrease that amount by an amount necessary to  
7 offset any misallocation of previous disbursements. The offset  
8 amount shall be the amount erroneously disbursed within the 6  
9 months preceding the time a misallocation is discovered.

10 The provisions directing the distributions from the  
11 special fund in the State Treasury provided for in this Section  
12 shall constitute an irrevocable and continuing appropriation  
13 of all amounts as provided herein. The State Treasurer and  
14 State Comptroller are hereby authorized to make distributions  
15 as provided in this Section.

16 In construing any development, redevelopment, annexation,  
17 preannexation or other lawful agreement in effect prior to  
18 September 1, 1990, which describes or refers to receipts from a  
19 county or municipal retailers' occupation tax, use tax or  
20 service occupation tax which now cannot be imposed, such  
21 description or reference shall be deemed to include the  
22 replacement revenue for such abolished taxes, distributed from  
23 the Local Government Tax Fund.

24 As soon as possible after the effective date of this  
25 amendatory Act of the 98th General Assembly, the State  
26 Comptroller shall order and the State Treasurer shall transfer

1 \$6,600,000 from the Local Government Tax Fund to the Illinois  
2 State Medical Disciplinary Fund.

3 (Source: P.A. 97-333, eff. 8-12-11; 98-3, eff. 3-8-13.)

4 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

5 Sec. 6z-20. Of the money received from the 6.25% general  
6 rate (and, beginning July 1, 2000 and through December 31, 2000  
7 and beginning again on July 1, 2015, the 1.25% rate on motor  
8 fuel and gasohol, and beginning on August 6, 2010 through  
9 August 15, 2010, the 1.25% rate on sales tax holiday items) on  
10 sales subject to taxation under the Retailers' Occupation Tax  
11 Act and Service Occupation Tax Act and paid into the County and  
12 Mass Transit District Fund, distribution to the Regional  
13 Transportation Authority tax fund, created pursuant to Section  
14 4.03 of the Regional Transportation Authority Act, for deposit  
15 therein shall be made based upon the retail sales occurring in  
16 a county having more than 3,000,000 inhabitants. The remainder  
17 shall be distributed to each county having 3,000,000 or fewer  
18 inhabitants based upon the retail sales occurring in each such  
19 county.

20 For the purpose of determining allocation to the local  
21 government unit, a retail sale by a producer of coal or other  
22 mineral mined in Illinois is a sale at retail at the place  
23 where the coal or other mineral mined in Illinois is extracted  
24 from the earth. This paragraph does not apply to coal or other  
25 mineral when it is delivered or shipped by the seller to the

1 purchaser at a point outside Illinois so that the sale is  
2 exempt under the United States Constitution as a sale in  
3 interstate or foreign commerce.

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

23 Whenever the Department determines that a refund of money  
24 paid into the County and Mass Transit District Fund should be  
25 made to a claimant instead of issuing a credit memorandum, the  
26 Department shall notify the State Comptroller, who shall cause



1 the order to be drawn for the amount specified, and to the  
2 person named, in such notification from the Department. Such  
3 refund shall be paid by the State Treasurer out of the County  
4 and Mass Transit District Fund.

5 As soon as possible after the first day of each month,  
6 beginning January 1, 2011, upon certification of the Department  
7 of Revenue, the Comptroller shall order transferred, and the  
8 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
9 local sales tax increment, as defined in the Innovation  
10 Development and Economy Act, collected during the second  
11 preceding calendar month for sales within a STAR bond district  
12 and deposited into the County and Mass Transit District Fund,  
13 less 3% of that amount, which shall be transferred into the Tax  
14 Compliance and Administration Fund and shall be used by the  
15 Department, subject to appropriation, to cover the costs of the  
16 Department in administering the Innovation Development and  
17 Economy Act.

18 After the monthly transfer to the STAR Bonds Revenue Fund,  
19 on or before the 25th day of each calendar month, the  
20 Department shall prepare and certify to the Comptroller the  
21 disbursement of stated sums of money to the Regional  
22 Transportation Authority and to named counties, the counties to  
23 be those entitled to distribution, as hereinabove provided, of  
24 taxes or penalties paid to the Department during the second  
25 preceding calendar month. The amount to be paid to the Regional  
26 Transportation Authority and each county having 3,000,000 or

1 fewer inhabitants shall be the amount (not including credit  
2 memoranda) collected during the second preceding calendar  
3 month by the Department and paid into the County and Mass  
4 Transit District Fund, plus an amount the Department determines  
5 is necessary to offset any amounts which were erroneously paid  
6 to a different taxing body, and not including an amount equal  
7 to the amount of refunds made during the second preceding  
8 calendar month by the Department, and not including any amount  
9 which the Department determines is necessary to offset any  
10 amounts which were payable to a different taxing body but were  
11 erroneously paid to the Regional Transportation Authority or  
12 county, and not including any amounts that are transferred to  
13 the STAR Bonds Revenue Fund. Within 10 days after receipt, by  
14 the Comptroller, of the disbursement certification to the  
15 Regional Transportation Authority and counties, provided for  
16 in this Section to be given to the Comptroller by the  
17 Department, the Comptroller shall cause the orders to be drawn  
18 for the respective amounts in accordance with the directions  
19 contained in such certification.

20 When certifying the amount of a monthly disbursement to the  
21 Regional Transportation Authority or to a county under this  
22 Section, the Department shall increase or decrease that amount  
23 by an amount necessary to offset any misallocation of previous  
24 disbursements. The offset amount shall be the amount  
25 erroneously disbursed within the 6 months preceding the time a  
26 misallocation is discovered.

1           The provisions directing the distributions from the  
2 special fund in the State Treasury provided for in this Section  
3 and from the Regional Transportation Authority tax fund created  
4 by Section 4.03 of the Regional Transportation Authority Act  
5 shall constitute an irrevocable and continuing appropriation  
6 of all amounts as provided herein. The State Treasurer and  
7 State Comptroller are hereby authorized to make distributions  
8 as provided in this Section.

9           In construing any development, redevelopment, annexation,  
10 preannexation or other lawful agreement in effect prior to  
11 September 1, 1990, which describes or refers to receipts from a  
12 county or municipal retailers' occupation tax, use tax or  
13 service occupation tax which now cannot be imposed, such  
14 description or reference shall be deemed to include the  
15 replacement revenue for such abolished taxes, distributed from  
16 the County and Mass Transit District Fund or Local Government  
17 Distributive Fund, as the case may be.

18           (Source: P.A. 96-939, eff. 6-24-10; 96-1012, eff. 7-7-10;  
19 97-333, eff. 8-12-11.)

20           (30 ILCS 105/8.3) (from Ch. 127, par. 144.3)

21           Sec. 8.3. Money in the Road Fund shall, if and when the  
22 State of Illinois incurs any bonded indebtedness for the  
23 construction of permanent highways, be set aside and used for  
24 the purpose of paying and discharging annually the principal  
25 and interest on that bonded indebtedness then due and payable,

1 and for no other purpose. The surplus, if any, in the Road Fund  
2 after the payment of principal and interest on that bonded  
3 indebtedness then annually due shall be used as follows:

4 first -- to pay the cost of administration of Chapters  
5 2 through 10 of the Illinois Vehicle Code, except the cost  
6 of administration of Articles I and II of Chapter 3 of that  
7 Code; and

8 secondly -- for expenses of the Department of  
9 Transportation for construction, reconstruction,  
10 improvement, repair, maintenance, operation, and  
11 administration of highways in accordance with the  
12 provisions of laws relating thereto, or for any purpose  
13 related or incident to and connected therewith, including  
14 the separation of grades of those highways with railroads  
15 and with highways and including the payment of awards made  
16 by the Illinois Workers' Compensation Commission under the  
17 terms of the Workers' Compensation Act or Workers'  
18 Occupational Diseases Act for injury or death of an  
19 employee of the Division of Highways in the Department of  
20 Transportation; or for the acquisition of land and the  
21 erection of buildings for highway purposes, including the  
22 acquisition of highway right-of-way or for investigations  
23 to determine the reasonably anticipated future highway  
24 needs; or for making of surveys, plans, specifications and  
25 estimates for and in the construction and maintenance of  
26 flight strips and of highways necessary to provide access

1 to military and naval reservations, to defense industries  
2 and defense-industry sites, and to the sources of raw  
3 materials and for replacing existing highways and highway  
4 connections shut off from general public use at military  
5 and naval reservations and defense-industry sites, or for  
6 the purchase of right-of-way, except that the State shall  
7 be reimbursed in full for any expense incurred in building  
8 the flight strips; or for the operating and maintaining of  
9 highway garages; or for patrolling and policing the public  
10 highways and conserving the peace; or for the operating  
11 expenses of the Department relating to the administration  
12 of public transportation programs; or, during fiscal year  
13 2012 only, for the purposes of a grant not to exceed  
14 \$8,500,000 to the Regional Transportation Authority on  
15 behalf of PACE for the purpose of ADA/Para-transit  
16 expenses; or, during fiscal year 2013 only, for the  
17 purposes of a grant not to exceed \$3,825,000 to the  
18 Regional Transportation Authority on behalf of PACE for the  
19 purpose of ADA/Para-transit expenses; or, during fiscal  
20 year 2014 only, for the purposes of a grant not to exceed  
21 \$3,825,000 to the Regional Transportation Authority on  
22 behalf of PACE for the purpose of ADA/Para-transit  
23 expenses; or, during fiscal year 2015 only, for the  
24 purposes of a grant not to exceed \$3,825,000 to the  
25 Regional Transportation Authority on behalf of PACE for the  
26 purpose of ADA/Para-transit expenses; or for any of those

1 purposes or any other purpose that may be provided by law.

2 Appropriations for any of those purposes are payable from  
3 the Road Fund. Appropriations may also be made from the Road  
4 Fund for the administrative expenses of any State agency that  
5 are related to motor vehicles or arise from the use of motor  
6 vehicles.

7 Beginning with fiscal year 1980 and thereafter, no Road  
8 Fund monies shall be appropriated to the following Departments  
9 or agencies of State government for administration, grants, or  
10 operations; but this limitation is not a restriction upon  
11 appropriating for those purposes any Road Fund monies that are  
12 eligible for federal reimbursement;

13 1. Department of Public Health;

14 2. Department of Transportation, only with respect to  
15 subsidies for one-half fare Student Transportation and  
16 Reduced Fare for Elderly, except during fiscal year 2012  
17 only when no more than \$40,000,000 may be expended and  
18 except during fiscal year 2013 only when no more than  
19 \$17,570,300 may be expended and except during fiscal year  
20 2014 only when no more than \$17,570,000 may be expended and  
21 except during fiscal year 2015 only when no more than  
22 \$17,570,000 may be expended;

23 3. Department of Central Management Services, except  
24 for expenditures incurred for group insurance premiums of  
25 appropriate personnel;

26 4. Judicial Systems and Agencies.

1           Beginning with fiscal year 1981 and thereafter, no Road  
2 Fund monies shall be appropriated to the following Departments  
3 or agencies of State government for administration, grants, or  
4 operations; but this limitation is not a restriction upon  
5 appropriating for those purposes any Road Fund monies that are  
6 eligible for federal reimbursement:

7           1. Department of State Police, except for expenditures  
8 with respect to the Division of Operations;

9           2. Department of Transportation, only with respect to  
10 Intercity Rail Subsidies, except during fiscal year 2012  
11 only when no more than \$40,000,000 may be expended and  
12 except during fiscal year 2013 only when no more than  
13 \$26,000,000 may be expended and except during fiscal year  
14 2014 only when no more than \$38,000,000 may be expended and  
15 except during fiscal year 2015 only when no more than  
16 \$42,000,000 may be expended, and Rail Freight Services.

17           Beginning with fiscal year 1982 and thereafter, no Road  
18 Fund monies shall be appropriated to the following Departments  
19 or agencies of State government for administration, grants, or  
20 operations; but this limitation is not a restriction upon  
21 appropriating for those purposes any Road Fund monies that are  
22 eligible for federal reimbursement: Department of Central  
23 Management Services, except for awards made by the Illinois  
24 Workers' Compensation Commission under the terms of the  
25 Workers' Compensation Act or Workers' Occupational Diseases  
26 Act for injury or death of an employee of the Division of

1 Highways in the Department of Transportation.

2 Beginning with fiscal year 1984 and thereafter, no Road  
3 Fund monies shall be appropriated to the following Departments  
4 or agencies of State government for administration, grants, or  
5 operations; but this limitation is not a restriction upon  
6 appropriating for those purposes any Road Fund monies that are  
7 eligible for federal reimbursement:

8 1. Department of State Police, except not more than 40%  
9 of the funds appropriated for the Division of Operations;

10 2. State Officers.

11 Beginning with fiscal year 1984 and thereafter, no Road  
12 Fund monies shall be appropriated to any Department or agency  
13 of State government for administration, grants, or operations  
14 except as provided hereafter; but this limitation is not a  
15 restriction upon appropriating for those purposes any Road Fund  
16 monies that are eligible for federal reimbursement. It shall  
17 not be lawful to circumvent the above appropriation limitations  
18 by governmental reorganization or other methods.  
19 Appropriations shall be made from the Road Fund only in  
20 accordance with the provisions of this Section.

21 Money in the Road Fund shall, if and when the State of  
22 Illinois incurs any bonded indebtedness for the construction of  
23 permanent highways, be set aside and used for the purpose of  
24 paying and discharging during each fiscal year the principal  
25 and interest on that bonded indebtedness as it becomes due and  
26 payable as provided in the Transportation Bond Act, and for no



1 other purpose. The surplus, if any, in the Road Fund after the  
2 payment of principal and interest on that bonded indebtedness  
3 then annually due shall be used as follows:

4 first -- to pay the cost of administration of Chapters  
5 2 through 10 of the Illinois Vehicle Code; and

6 secondly -- no Road Fund monies derived from fees,  
7 excises, or license taxes relating to registration,  
8 operation and use of vehicles on public highways or to  
9 fuels used for the propulsion of those vehicles, shall be  
10 appropriated or expended other than for costs of  
11 administering the laws imposing those fees, excises, and  
12 license taxes, statutory refunds and adjustments allowed  
13 thereunder, administrative costs of the Department of  
14 Transportation, including, but not limited to, the  
15 operating expenses of the Department relating to the  
16 administration of public transportation programs, payment  
17 of debts and liabilities incurred in construction and  
18 reconstruction of public highways and bridges, acquisition  
19 of rights-of-way for and the cost of construction,  
20 reconstruction, maintenance, repair, and operation of  
21 public highways and bridges under the direction and  
22 supervision of the State, political subdivision, or  
23 municipality collecting those monies, or during fiscal  
24 year 2012 only for the purposes of a grant not to exceed  
25 \$8,500,000 to the Regional Transportation Authority on  
26 behalf of PACE for the purpose of ADA/Para-transit

1 expenses, or during fiscal year 2013 only for the purposes  
2 of a grant not to exceed \$3,825,000 to the Regional  
3 Transportation Authority on behalf of PACE for the purpose  
4 of ADA/Para-transit expenses, or during fiscal year 2014  
5 only for the purposes of a grant not to exceed \$3,825,000  
6 to the Regional Transportation Authority on behalf of PACE  
7 for the purpose of ADA/Para-transit expenses, or during  
8 fiscal year 2015 only for the purposes of a grant not to  
9 exceed \$3,825,000 to the Regional Transportation Authority  
10 on behalf of PACE for the purpose of ADA/Para-transit  
11 expenses, and the costs for patrolling and policing the  
12 public highways (by State, political subdivision, or  
13 municipality collecting that money) for enforcement of  
14 traffic laws. The separation of grades of such highways  
15 with railroads and costs associated with protection of  
16 at-grade highway and railroad crossing shall also be  
17 permissible.

18 Appropriations for any of such purposes are payable from  
19 the Road Fund or the Grade Crossing Protection Fund as provided  
20 in Section 8 of the Motor Fuel Tax Law.

21 Except as provided in this paragraph, beginning with fiscal  
22 year 1991 and thereafter, no Road Fund monies shall be  
23 appropriated to the Department of State Police for the purposes  
24 of this Section in excess of its total fiscal year 1990 Road  
25 Fund appropriations for those purposes unless otherwise  
26 provided in Section 5g of this Act. For fiscal years 2003,

1 2004, 2005, 2006, and 2007 only, no Road Fund monies shall be  
2 appropriated to the Department of State Police for the purposes  
3 of this Section in excess of \$97,310,000. For fiscal year 2008  
4 only, no Road Fund monies shall be appropriated to the  
5 Department of State Police for the purposes of this Section in  
6 excess of \$106,100,000. For fiscal year 2009 only, no Road Fund  
7 monies shall be appropriated to the Department of State Police  
8 for the purposes of this Section in excess of \$114,700,000.  
9 Beginning in fiscal year 2010, no road fund moneys shall be  
10 appropriated to the Department of State Police. It shall not be  
11 lawful to circumvent this limitation on appropriations by  
12 governmental reorganization or other methods unless otherwise  
13 provided in Section 5g of this Act.

14 In fiscal year 1994, no Road Fund monies shall be  
15 appropriated to the Secretary of State for the purposes of this  
16 Section in excess of the total fiscal year 1991 Road Fund  
17 appropriations to the Secretary of State for those purposes,  
18 plus \$9,800,000. It shall not be lawful to circumvent this  
19 limitation on appropriations by governmental reorganization or  
20 other method.

21 Beginning with fiscal year 1995 and thereafter, no Road  
22 Fund monies shall be appropriated to the Secretary of State for  
23 the purposes of this Section in excess of the total fiscal year  
24 1994 Road Fund appropriations to the Secretary of State for  
25 those purposes. It shall not be lawful to circumvent this  
26 limitation on appropriations by governmental reorganization or

1 other methods.

2 Beginning with fiscal year 2000, total Road Fund  
3 appropriations to the Secretary of State for the purposes of  
4 this Section shall not exceed the amounts specified for the  
5 following fiscal years:

6	Fiscal Year 2000	\$80,500,000;
7	Fiscal Year 2001	\$80,500,000;
8	Fiscal Year 2002	\$80,500,000;
9	Fiscal Year 2003	\$130,500,000;
10	Fiscal Year 2004	\$130,500,000;
11	Fiscal Year 2005	\$130,500,000;
12	Fiscal Year 2006	\$130,500,000;
13	Fiscal Year 2007	\$130,500,000;
14	Fiscal Year 2008	\$130,500,000;
15	Fiscal Year 2009	\$130,500,000.

16 For fiscal year 2010, no road fund moneys shall be  
17 appropriated to the Secretary of State.

18 Beginning in fiscal year 2011, moneys in the Road Fund  
19 shall be appropriated to the Secretary of State for the  
20 exclusive purpose of paying refunds due to overpayment of fees  
21 related to Chapter 3 of the Illinois Vehicle Code unless  
22 otherwise provided for by law.

23 It shall not be lawful to circumvent this limitation on  
24 appropriations by governmental reorganization or other  
25 methods.

26 No new program may be initiated in fiscal year 1991 and

1 thereafter that is not consistent with the limitations imposed  
2 by this Section for fiscal year 1984 and thereafter, insofar as  
3 appropriation of Road Fund monies is concerned.

4 Nothing in this Section prohibits transfers from the Road  
5 Fund to the State Construction Account Fund under Section 5e of  
6 this Act; nor to the General Revenue Fund, as authorized by  
7 this amendatory Act of the 93rd General Assembly.

8 The additional amounts authorized for expenditure in this  
9 Section by Public Acts 92-0600, 93-0025, 93-0839, and 94-91  
10 shall be repaid to the Road Fund from the General Revenue Fund  
11 in the next succeeding fiscal year that the General Revenue  
12 Fund has a positive budgetary balance, as determined by  
13 generally accepted accounting principles applicable to  
14 government.

15 Beginning with fiscal year 2016 and thereafter, no Road  
16 Fund moneys may be appropriated to the Department of Central  
17 Management Services, the Department of Employment Security,  
18 the Department of Revenue, the Court of Claims, or any other  
19 State agency (other than the Department of State Police and the  
20 Department of Transportation and the Secretary of State) for  
21 the purposes of this Section. Appropriations to those entities  
22 for those purposes shall, instead, be made from the General  
23 Revenue Fund. It shall not be lawful to circumvent this  
24 limitation on appropriations by governmental reorganization or  
25 other methods. Nothing in this paragraph prohibits  
26 appropriations from the Road Fund to the Department of State

1 Police for the purposes of the highway patrol budget only.

2 The additional amounts authorized for expenditure by the  
3 Secretary of State and the Department of State Police in this  
4 Section by this amendatory Act of the 94th General Assembly  
5 shall be repaid to the Road Fund from the General Revenue Fund  
6 in the next succeeding fiscal year that the General Revenue  
7 Fund has a positive budgetary balance, as determined by  
8 generally accepted accounting principles applicable to  
9 government.

10 (Source: P.A. 97-72, eff. 7-1-11; 97-732, eff. 6-30-12; 98-24,  
11 eff. 6-19-13; 98-674, eff. 6-30-14.)

12 (30 ILCS 105/8h)

13 Sec. 8h. Transfers to General Revenue Fund.

14 (a) Except as otherwise provided in this Section and  
15 Section 8n of this Act, and notwithstanding any other State law  
16 to the contrary, the Governor may, through June 30, 2007, from  
17 time to time direct the State Treasurer and Comptroller to  
18 transfer a specified sum from any fund held by the State  
19 Treasurer to the General Revenue Fund in order to help defray  
20 the State's operating costs for the fiscal year. The total  
21 transfer under this Section from any fund in any fiscal year  
22 shall not exceed the lesser of (i) 8% of the revenues to be  
23 deposited into the fund during that fiscal year or (ii) an  
24 amount that leaves a remaining fund balance of 25% of the July  
25 1 fund balance of that fiscal year. In fiscal year 2005 only,

1 prior to calculating the July 1, 2004 final balances, the  
2 Governor may calculate and direct the State Treasurer with the  
3 Comptroller to transfer additional amounts determined by  
4 applying the formula authorized in Public Act 93-839 to the  
5 funds balances on July 1, 2003. No transfer may be made from a  
6 fund under this Section that would have the effect of reducing  
7 the available balance in the fund to an amount less than the  
8 amount remaining unexpended and unreserved from the total  
9 appropriation from that fund estimated to be expended for that  
10 fiscal year. This Section does not apply to any funds that are  
11 restricted by federal law to a specific use, to any funds in  
12 the Motor Fuel Tax Fund, the Intercity Passenger Rail Fund, the  
13 Hospital Provider Fund, the Medicaid Provider Relief Fund, the  
14 Teacher Health Insurance Security Fund, the Voters' Guide Fund,  
15 the Foreign Language Interpreter Fund, the Lawyers' Assistance  
16 Program Fund, the Supreme Court Federal Projects Fund, the  
17 Supreme Court Special State Projects Fund, the Supplemental  
18 Low-Income Energy Assistance Fund, the Good Samaritan Energy  
19 Trust Fund, the Low-Level Radioactive Waste Facility  
20 Development and Operation Fund, the Horse Racing Equity Trust  
21 Fund, the Metabolic Screening and Treatment Fund, or the  
22 Hospital Basic Services Preservation Fund, or to any funds to  
23 which Section 70-50 of the Nurse Practice Act applies. No  
24 transfers may be made under this Section from the Pet  
25 Population Control Fund. Notwithstanding any other provision  
26 of this Section, for fiscal year 2004, the total transfer under

1 this Section from the Road Fund or the State Construction  
2 Account Fund shall not exceed the lesser of (i) 5% of the  
3 revenues to be deposited into the fund during that fiscal year  
4 or (ii) 25% of the beginning balance in the fund. For fiscal  
5 year 2005 through fiscal year 2007, no amounts may be  
6 transferred under this Section from the Road Fund, the State  
7 Construction Account Fund, the Criminal Justice Information  
8 Systems Trust Fund, the Wireless Service Emergency Fund, or the  
9 Mandatory Arbitration Fund. No transfers may be made under this  
10 Section from the Road Fund or the State Construction Account  
11 Fund on or after the effective date of this amendatory Act of  
12 the 99th General Assembly.

13 In determining the available balance in a fund, the  
14 Governor may include receipts, transfers into the fund, and  
15 other resources anticipated to be available in the fund in that  
16 fiscal year.

17 The State Treasurer and Comptroller shall transfer the  
18 amounts designated under this Section as soon as may be  
19 practicable after receiving the direction to transfer from the  
20 Governor.

21 (a-5) Transfers directed to be made under this Section on  
22 or before February 28, 2006 that are still pending on May 19,  
23 2006 (the effective date of Public Act 94-774) shall be  
24 redirected as provided in Section 8n of this Act.

25 (b) This Section does not apply to: (i) the Carolyn Adams  
26 Ticket For The Cure Grant Fund; (ii) any fund established under



1 the Community Senior Services and Resources Act; or (iii) on or  
2 after January 1, 2006 (the effective date of Public Act  
3 94-511), the Child Labor and Day and Temporary Labor  
4 Enforcement Fund.

5 (c) This Section does not apply to the Demutualization  
6 Trust Fund established under the Uniform Disposition of  
7 Unclaimed Property Act.

8 (d) This Section does not apply to moneys set aside in the  
9 Illinois State Podiatric Disciplinary Fund for podiatric  
10 scholarships and residency programs under the Podiatric  
11 Scholarship and Residency Act.

12 (e) Subsection (a) does not apply to, and no transfer may  
13 be made under this Section from, the Pension Stabilization  
14 Fund.

15 (f) Subsection (a) does not apply to, and no transfer may  
16 be made under this Section from, the Illinois Power Agency  
17 Operations Fund, the Illinois Power Agency Facilities Fund, the  
18 Illinois Power Agency Debt Service Fund, and the Illinois Power  
19 Agency Trust Fund.

20 (g) This Section does not apply to the Veterans Service  
21 Organization Reimbursement Fund.

22 (h) This Section does not apply to the Supreme Court  
23 Historic Preservation Fund.

24 (i) This Section does not apply to, and no transfer may be  
25 made under this Section from, the Money Follows the Person  
26 Budget Transfer Fund.

1           (j) This Section does not apply to the Domestic Violence  
2 Shelter and Service Fund.

3           (k) This Section does not apply to the Illinois Historic  
4 Sites Fund and the Presidential Library and Museum Operating  
5 Fund.

6           (l) This Section does not apply to the Trucking  
7 Environmental and Education Fund.

8           (m) This Section does not apply to the Roadside Memorial  
9 Fund.

10          (n) This Section does not apply to the Department of Human  
11 Rights Special Fund.

12          (Source: P.A. 95-331, eff. 8-21-07; 95-410, eff. 8-24-07;  
13 95-481, eff. 8-28-07; 95-629, eff. 9-25-07; 95-639, eff.  
14 10-5-07; 95-695, eff. 11-5-07; 95-744, eff. 7-18-08; 95-876,  
15 eff. 8-21-08; 96-302, eff. 1-1-10; 96-450, eff. 8-14-09;  
16 96-511, eff. 8-14-09; 96-576, eff. 8-18-09; 96-667, eff.  
17 8-25-09; 96-786, eff. 1-1-10; 96-1000, eff. 7-2-10; 96-1290,  
18 eff. 7-26-10.)

19          Section 10. The Use Tax Act is amended by changing Sections  
20 3-10 as follows:

21           (35 ILCS 105/3-10)

22          Sec. 3-10. 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 either the selling price or the fair market value, if any, of

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

19 Beginning on July 1, 2000 and through December 31, 2000 and  
20 beginning again July 1, 2015, with respect to motor fuel, as  
21 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,  
22 as defined in Section 3-40 of the Use Tax Act, the tax is  
23 imposed at the rate of 1.25%.

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

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

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

15 With respect to biodiesel blends with no less than 1% and  
16 no more than 10% biodiesel, the tax imposed by this Act applies  
17 to (i) 80% of the proceeds of sales made on or after July 1,  
18 2003 and on or before December 31, 2018 and (ii) 100% of the  
19 proceeds of sales made thereafter. If, at any time, however,  
20 the tax under this Act on sales of biodiesel blends with no  
21 less than 1% and no more than 10% biodiesel is imposed at the  
22 rate of 1.25%, then the tax imposed by this Act applies to 100%  
23 of the proceeds of sales of biodiesel blends with no less than  
24 1% and no more than 10% biodiesel made during that time.

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

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

25 Notwithstanding any other provisions of this Act,  
26 beginning September 1, 2009, "soft drinks" means non-alcoholic

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

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

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

26       Notwithstanding any other provisions of this Act,

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

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

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

17 Beginning on the effective date of this amendatory Act of  
18 the 98th General Assembly, "prescription and nonprescription  
19 medicines and drugs" includes medical cannabis purchased from a  
20 registered dispensing organization under the Compassionate Use  
21 of Medical Cannabis Pilot Program Act.

22 If the property that is purchased at retail from a retailer  
23 is acquired outside Illinois and used outside Illinois before  
24 being brought to Illinois for use here and is taxable under  
25 this Act, the "selling price" on which the tax is computed  
26 shall be reduced by an amount that represents a reasonable

1 allowance for depreciation for the period of prior out-of-state  
2 use.

3 (Source: P.A. 97-636, eff. 6-1-12; 98-122, eff. 1-1-14.)

4 Section 15. The Service Use Tax Act is amended by changing  
5 Sections 3-10 as follows:

6 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

13 Beginning on July 1, 2000 and through December 31, 2000 and  
14 beginning again on July 1, 2015, with respect to motor fuel, as  
15 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,  
16 as defined in Section 3-40 of the Use Tax Act, the tax is  
17 imposed at the rate of 1.25%.

18 With respect to gasohol, as defined in the Use Tax Act, the  
19 tax imposed by this Act applies to (i) 70% of the selling price  
20 of property transferred as an incident to the sale of service  
21 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
22 of 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, and (iii) 100% of the selling price



1 thereafter. If, at any time, however, the tax under this Act on  
2 sales of gasohol, as defined in the Use Tax Act, is imposed at  
3 the rate of 1.25%, then the tax imposed by this Act applies to  
4 100% of the proceeds of sales of gasohol made during that time.

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

11 With respect to biodiesel blends, as defined in the Use Tax  
12 Act, with no less than 1% and no more than 10% biodiesel, the  
13 tax imposed by this Act applies to (i) 80% of the selling price  
14 of property transferred as an incident to the sale of service  
15 on or after July 1, 2003 and on or before December 31, 2018 and  
16 (ii) 100% of the proceeds of the selling price thereafter. If,  
17 at any time, however, the tax under this Act on sales of  
18 biodiesel blends, as defined in the Use Tax Act, with no less  
19 than 1% and no more than 10% biodiesel is imposed at the rate  
20 of 1.25%, then the tax imposed by this Act applies to 100% of  
21 the proceeds of sales of biodiesel blends with no less than 1%  
22 and no more than 10% biodiesel made during that time.

23 With respect to 100% biodiesel, as defined in the Use Tax  
24 Act, and biodiesel blends, as defined in the Use Tax Act, 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 the selling price

1 of property transferred as an incident to the sale of service  
2 on or after July 1, 2003 and on or before December 31, 2018 but  
3 applies to 100% of the selling price thereafter.

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

14 The tax shall be imposed at the rate of 1% on food prepared  
15 for immediate consumption and transferred incident to a sale of  
16 service subject to this Act or the Service Occupation Tax Act  
17 by an entity licensed under the Hospital Licensing Act, the  
18 Nursing Home Care Act, the ID/DD Community Care Act, the  
19 Specialized Mental Health Rehabilitation Act of 2013, or the  
20 Child Care Act of 1969. The tax shall also be imposed at the  
21 rate of 1% on food for human consumption that is to be consumed  
22 off the premises where it is sold (other than alcoholic  
23 beverages, soft drinks, and food that has been prepared for  
24 immediate consumption and is not otherwise included in this  
25 paragraph) and prescription and nonprescription medicines,  
26 drugs, medical appliances, modifications to a motor vehicle for

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

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

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

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

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

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

1 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
2 label includes:

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

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

7 Beginning on January 1, 2014 (the effective date of Public  
8 Act 98-122), "prescription and nonprescription medicines and  
9 drugs" includes medical cannabis purchased from a registered  
10 dispensing organization under the Compassionate Use of Medical  
11 Cannabis Pilot Program Act.

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

19 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,  
20 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; 98-756,  
21 eff. 7-16-14.)

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

24 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

19           Beginning on July 1, 2000 and through December 31, 2000 and  
20 beginning again on July 1, 2015, with respect to motor fuel, as  
21 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,  
22 as defined in Section 3-40 of the Use Tax Act, the tax is  
23 imposed at the rate of 1.25%.

24           With respect to gasohol, as defined in the Use Tax Act, the  
25 tax imposed by this Act shall apply to (i) 70% of the cost  
26 price of property transferred as an incident to the sale of

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

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

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

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

19           The tax shall be imposed at the rate of 1% on food prepared  
20 for immediate consumption and transferred incident to a sale of  
21 service subject to this Act or the Service Occupation Tax Act  
22 by an entity licensed under the Hospital Licensing Act, the  
23 Nursing Home Care Act, the ID/DD Community Care Act, the  
24 Specialized Mental Health Rehabilitation Act of 2013, or the  
25 Child Care Act of 1969. The tax shall also be imposed at the  
26 rate of 1% on food for human consumption that is to be consumed



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

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

26 Until August 1, 2009, and notwithstanding any other

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

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

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

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

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

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

12            Beginning on January 1, 2014 (the effective date of Public  
13     Act 98-122), "prescription and nonprescription medicines and  
14     drugs" includes medical cannabis purchased from a registered  
15     dispensing organization under the Compassionate Use of Medical  
16     Cannabis Pilot Program Act.

17     (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,  
18     eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; 98-756,  
19     eff. 7-16-14.)

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

22            (35 ILCS 120/2-10)

23            Sec. 2-10. Rate of tax. Unless otherwise provided in this  
24     Section, the tax imposed by this Act is at the rate of 6.25% of

1 gross receipts from sales of tangible personal property made in  
2 the course of business.

3 Beginning on July 1, 2000 and through December 31, 2000 and  
4 beginning again on July 1, 2015, with respect to motor fuel, as  
5 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,  
6 as defined in Section 3-40 of the Use Tax Act, the tax is  
7 imposed at the rate of 1.25%.

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

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

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

1 tax imposed by this Act applies to (i) 70% of the proceeds of  
2 sales made on or after January 1, 1990, and before July 1,  
3 2003, (ii) 80% of the proceeds of sales made on or after July  
4 1, 2003 and on or before December 31, 2018, and (iii) 100% of  
5 the proceeds of sales made thereafter. If, at any time,  
6 however, the tax under this Act on sales of gasohol, as defined  
7 in the Use Tax Act, is imposed at the rate of 1.25%, then the  
8 tax imposed by this Act applies to 100% of the proceeds of  
9 sales of gasohol made during that time.

10 With respect to majority blended ethanol fuel, as defined  
11 in the Use Tax Act, the tax imposed by this Act does not apply  
12 to the proceeds of sales made on or after July 1, 2003 and on or  
13 before December 31, 2018 but applies to 100% of the proceeds of  
14 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, 2018 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, 2018 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 Beginning on the effective date of this amendatory Act of  
20 the 98th General Assembly, "prescription and nonprescription  
21 medicines and drugs" includes medical cannabis purchased from a  
22 registered dispensing organization under the Compassionate Use  
23 of Medical Cannabis Pilot Program Act.

24 (Source: P.A. 97-636, eff. 6-1-12; 98-122, eff. 1-1-14.)

25 Section 30. The Motor Fuel Tax Law is amended by changing



1 Sections 2 and 8 and by adding Section 8b as follows:

2 (35 ILCS 505/2) (from Ch. 120, par. 418)

3 Sec. 2. A tax is imposed on the privilege of operating  
4 motor vehicles upon the public highways and recreational-type  
5 watercraft upon the waters of this State.

6 (a) Prior to August 1, 1989, the tax is imposed at the rate  
7 of 13 cents per gallon on all motor fuel used in motor vehicles  
8 operating on the public highways and recreational type  
9 watercraft operating upon the waters of this State. Beginning  
10 on August 1, 1989 and until January 1, 1990, the rate of the  
11 tax imposed in this paragraph shall be 16 cents per gallon.  
12 Beginning January 1, 1990, the rate of tax imposed in this  
13 paragraph shall be 19 cents per gallon.

14 (b) The tax on the privilege of operating motor vehicles  
15 which use diesel fuel shall be the rate according to paragraph  
16 (a) plus an additional 2 1/2 cents per gallon. "Diesel fuel" is  
17 defined as any product intended for use or offered for sale as  
18 a fuel for engines in which the fuel is injected into the  
19 combustion chamber and ignited by pressure without electric  
20 spark.

21 (c) A tax is imposed upon the privilege of engaging in the  
22 business of selling motor fuel as a retailer or reseller on all  
23 motor fuel used in motor vehicles operating on the public  
24 highways and recreational type watercraft operating upon the  
25 waters of this State: (1) at the rate of 3 cents per gallon on

1 motor fuel owned or possessed by such retailer or reseller at  
2 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents per  
3 gallon on motor fuel owned or possessed by such retailer or  
4 reseller at 12:01 A.M. on January 1, 1990.

5 Retailers and resellers who are subject to this additional  
6 tax shall be required to inventory such motor fuel and pay this  
7 additional tax in a manner prescribed by the Department of  
8 Revenue.

9 The tax imposed in this paragraph (c) shall be in addition  
10 to all other taxes imposed by the State of Illinois or any unit  
11 of local government in this State.

12 (d) Except as provided in Section 2a, the collection of a  
13 tax based on gallonage of gasoline used for the propulsion of  
14 any aircraft is prohibited on and after October 1, 1979.

15 (e) The collection of a tax, based on gallonage of all  
16 products commonly or commercially known or sold as 1-K  
17 kerosene, regardless of its classification or uses, is  
18 prohibited (i) on and after July 1, 1992 until December 31,  
19 1999, except when the 1-K kerosene is either: (1) delivered  
20 into bulk storage facilities of a bulk user, or (2) delivered  
21 directly into the fuel supply tanks of motor vehicles and (ii)  
22 on and after January 1, 2000. Beginning on January 1, 2000, the  
23 collection of a tax, based on gallonage of all products  
24 commonly or commercially known or sold as 1-K kerosene,  
25 regardless of its classification or uses, is prohibited except  
26 when the 1-K kerosene is delivered directly into a storage tank

1 that is located at a facility that has withdrawal facilities  
2 that are readily accessible to and are capable of dispensing  
3 1-K kerosene into the fuel supply tanks of motor vehicles. For  
4 purposes of this subsection (e), a facility is considered to  
5 have withdrawal facilities that are not "readily accessible to  
6 and capable of dispensing 1-K kerosene into the fuel supply  
7 tanks of motor vehicles" only if the 1-K kerosene is delivered  
8 from: (i) a dispenser hose that is short enough so that it will  
9 not reach the fuel supply tank of a motor vehicle or (ii) a  
10 dispenser that is enclosed by a fence or other physical barrier  
11 so that a vehicle cannot pull alongside the dispenser to permit  
12 fueling.

13 Any person who sells or uses 1-K kerosene for use in motor  
14 vehicles upon which the tax imposed by this Law has not been  
15 paid shall be liable for any tax due on the sales or use of 1-K  
16 kerosene.

17 (f) In addition to the taxes established in the foregoing  
18 subsections, a tax is imposed on the privilege of operating  
19 motor vehicles upon the public highways and operating  
20 recreational type watercraft upon the waters of this State. For  
21 State fiscal year 2016, the tax imposed by this paragraph is at  
22 the rate of \$0.150 per gallon on all motor fuel used in motor  
23 vehicles operating on the public highways, recreational type  
24 watercraft operating upon the waters, special fuel as defined  
25 in Section 1.13, and diesel fuel sold in this State. For each  
26 State fiscal year thereafter, the rate of tax is adjusted over

1 the tax rate of the previous State fiscal year by the annual  
2 rate of increase or decrease, for the previous calendar year,  
3 of the Consumer Price Index for All Urban Consumers for all  
4 items, published by the United States Bureau of Labor  
5 Statistics. The purpose of this tax is to provide grants to  
6 public entities in the State of Illinois for transportation  
7 purposes as provided in Section 8b of this Act.

8 (Source: P.A. 96-1384, eff. 7-29-10.)

9 (35 ILCS 505/8) (from Ch. 120, par. 424)

10 Sec. 8. Except as provided in Section 8a, Section 8b,  
11 subdivision (h) (1) of Section 12a, Section 13a.6, and items 13,  
12 14, 15, and 16 of Section 15, all money received by the  
13 Department under this Act, including payments made to the  
14 Department by member jurisdictions participating in the  
15 International Fuel Tax Agreement, shall be deposited in a  
16 special fund in the State treasury, to be known as the "Motor  
17 Fuel Tax Fund", and shall be used as follows:

18 (a) 2 1/2 cents per gallon of the tax collected on special  
19 fuel under paragraph (b) of Section 2 and Section 13a of this  
20 Act shall be transferred to the State Construction Account Fund  
21 in the State Treasury;

22 (b) \$420,000 shall be transferred each month to the State  
23 Boating Act Fund to be used by the Department of Natural  
24 Resources for the purposes specified in Article X of the Boat  
25 Registration and Safety Act;

1           (c) \$3,500,000 shall be transferred each month to the Grade  
2 Crossing Protection Fund to be used as follows: not less than  
3 \$12,000,000 each fiscal year shall be used for the construction  
4 or reconstruction of rail highway grade separation structures;  
5 \$2,250,000 in fiscal years 2004 through 2009 and \$3,000,000 in  
6 fiscal year 2010 and each fiscal year thereafter shall be  
7 transferred to the Transportation Regulatory Fund and shall be  
8 accounted for as part of the rail carrier portion of such funds  
9 and shall be used to pay the cost of administration of the  
10 Illinois Commerce Commission's railroad safety program in  
11 connection with its duties under subsection (3) of Section  
12 18c-7401 of the Illinois Vehicle Code, with the remainder to be  
13 used by the Department of Transportation upon order of the  
14 Illinois Commerce Commission, to pay that part of the cost  
15 apportioned by such Commission to the State to cover the  
16 interest of the public in the use of highways, roads, streets,  
17 or pedestrian walkways in the county highway system, township  
18 and district road system, or municipal street system as defined  
19 in the Illinois Highway Code, as the same may from time to time  
20 be amended, for separation of grades, for installation,  
21 construction or reconstruction of crossing protection or  
22 reconstruction, alteration, relocation including construction  
23 or improvement of any existing highway necessary for access to  
24 property or improvement of any grade crossing and grade  
25 crossing surface including the necessary highway approaches  
26 thereto of any railroad across the highway or public road, or

1 for the installation, construction, reconstruction, or  
2 maintenance of a pedestrian walkway over or under a railroad  
3 right-of-way, as provided for in and in accordance with Section  
4 18c-7401 of the Illinois Vehicle Code. The Commission may order  
5 up to \$2,000,000 per year in Grade Crossing Protection Fund  
6 moneys for the improvement of grade crossing surfaces and up to  
7 \$300,000 per year for the maintenance and renewal of 4-quadrant  
8 gate vehicle detection systems located at non-high speed rail  
9 grade crossings. The Commission shall not order more than  
10 \$2,000,000 per year in Grade Crossing Protection Fund moneys  
11 for pedestrian walkways. In entering orders for projects for  
12 which payments from the Grade Crossing Protection Fund will be  
13 made, the Commission shall account for expenditures authorized  
14 by the orders on a cash rather than an accrual basis. For  
15 purposes of this requirement an "accrual basis" assumes that  
16 the total cost of the project is expended in the fiscal year in  
17 which the order is entered, while a "cash basis" allocates the  
18 cost of the project among fiscal years as expenditures are  
19 actually made. To meet the requirements of this subsection, the  
20 Illinois Commerce Commission shall develop annual and 5-year  
21 project plans of rail crossing capital improvements that will  
22 be paid for with moneys from the Grade Crossing Protection  
23 Fund. The annual project plan shall identify projects for the  
24 succeeding fiscal year and the 5-year project plan shall  
25 identify projects for the 5 directly succeeding fiscal years.  
26 The Commission shall submit the annual and 5-year project plans

1 for this Fund to the Governor, the President of the Senate, the  
2 Senate Minority Leader, the Speaker of the House of  
3 Representatives, and the Minority Leader of the House of  
4 Representatives on the first Wednesday in April of each year;

5 (d) of the amount remaining after allocations provided for  
6 in subsections (a), (b) and (c), a sufficient amount shall be  
7 reserved to pay all of the following:

8 (1) the costs of the Department of Revenue in  
9 administering this Act;

10 (2) the costs of the Department of Transportation in  
11 performing its duties imposed by the Illinois Highway Code  
12 for supervising the use of motor fuel tax funds apportioned  
13 to municipalities, counties and road districts;

14 (3) refunds provided for in Section 13, refunds for  
15 overpayment of decal fees paid under Section 13a.4 of this  
16 Act, and refunds provided for under the terms of the  
17 International Fuel Tax Agreement referenced in Section  
18 14a;

19 (4) from October 1, 1985 until June 30, 1994, the  
20 administration of the Vehicle Emissions Inspection Law,  
21 which amount shall be certified monthly by the  
22 Environmental Protection Agency to the State Comptroller  
23 and shall promptly be transferred by the State Comptroller  
24 and Treasurer from the Motor Fuel Tax Fund to the Vehicle  
25 Inspection Fund, and for the period July 1, 1994 through  
26 June 30, 2000, one-twelfth of \$25,000,000 each month, for

1 the period July 1, 2000 through June 30, 2003, one-twelfth  
2 of \$30,000,000 each month, and \$15,000,000 on July 1, 2003,  
3 and \$15,000,000 on January 1, 2004, and \$15,000,000 on each  
4 July 1 and October 1, or as soon thereafter as may be  
5 practical, during the period July 1, 2004 through June 30,  
6 2012, and \$30,000,000 on June 1, 2013, or as soon  
7 thereafter as may be practical, and \$15,000,000 on July 1  
8 and October 1, or as soon thereafter as may be practical,  
9 during the period of July 1, 2013 through June 30, 2015,  
10 for the administration of the Vehicle Emissions Inspection  
11 Law of 2005, to be transferred by the State Comptroller and  
12 Treasurer from the Motor Fuel Tax Fund into the Vehicle  
13 Inspection Fund;

14 (5) amounts ordered paid by the Court of Claims; and

15 (6) payment of motor fuel use taxes due to member  
16 jurisdictions under the terms of the International Fuel Tax  
17 Agreement. The Department shall certify these amounts to  
18 the Comptroller by the 15th day of each month; the  
19 Comptroller shall cause orders to be drawn for such  
20 amounts, and the Treasurer shall administer those amounts  
21 on or before the last day of each month;

22 (e) after allocations for the purposes set forth in  
23 subsections (a), (b), (c) and (d), the remaining amount shall  
24 be apportioned as follows:

25 (1) Until January 1, 2000, 58.4%, and beginning January  
26 1, 2000, 45.6% shall be deposited as follows:



1 (A) 37% into the State Construction Account Fund,  
2 and

3 (B) 63% into the Road Fund, \$1,250,000 of which  
4 shall be reserved each month for the Department of  
5 Transportation to be used in accordance with the  
6 provisions of Sections 6-901 through 6-906 of the  
7 Illinois Highway Code;

8 (2) Until January 1, 2000, 41.6%, and beginning January  
9 1, 2000, 54.4% shall be transferred to the Department of  
10 Transportation to be distributed as follows:

11 (A) 49.10% to the municipalities of the State,

12 (B) 16.74% to the counties of the State having  
13 1,000,000 or more inhabitants,

14 (C) 18.27% to the counties of the State having less  
15 than 1,000,000 inhabitants,

16 (D) 15.89% to the road districts of the State.

17 As soon as may be after the first day of each month the  
18 Department of Transportation shall allot to each municipality  
19 its share of the amount apportioned to the several  
20 municipalities which shall be in proportion to the population  
21 of such municipalities as determined by the last preceding  
22 municipal census if conducted by the Federal Government or  
23 Federal census. If territory is annexed to any municipality  
24 subsequent to the time of the last preceding census the  
25 corporate authorities of such municipality may cause a census  
26 to be taken of such annexed territory and the population so

1     ascertained for such territory shall be added to the population  
2     of the municipality as determined by the last preceding census  
3     for the purpose of determining the allotment for that  
4     municipality. If the population of any municipality was not  
5     determined by the last Federal census preceding any  
6     apportionment, the apportionment to such municipality shall be  
7     in accordance with any census taken by such municipality. Any  
8     municipal census used in accordance with this Section shall be  
9     certified to the Department of Transportation by the clerk of  
10    such municipality, and the accuracy thereof shall be subject to  
11    approval of the Department which may make such corrections as  
12    it ascertains to be necessary.

13         As soon as may be after the first day of each month the  
14    Department of Transportation shall allot to each county its  
15    share of the amount apportioned to the several counties of the  
16    State as herein provided. Each allotment to the several  
17    counties having less than 1,000,000 inhabitants shall be in  
18    proportion to the amount of motor vehicle license fees received  
19    from the residents of such counties, respectively, during the  
20    preceding calendar year. The Secretary of State shall, on or  
21    before April 15 of each year, transmit to the Department of  
22    Transportation a full and complete report showing the amount of  
23    motor vehicle license fees received from the residents of each  
24    county, respectively, during the preceding calendar year. The  
25    Department of Transportation shall, each month, use for  
26    allotment purposes the last such report received from the

1 Secretary of State.

2 As soon as may be after the first day of each month, the  
3 Department of Transportation shall allot to the several  
4 counties their share of the amount apportioned for the use of  
5 road districts. The allotment shall be apportioned among the  
6 several counties in the State in the proportion which the total  
7 mileage of township or district roads in the respective  
8 counties bears to the total mileage of all township and  
9 district roads in the State. Funds allotted to the respective  
10 counties for the use of road districts therein shall be  
11 allocated to the several road districts in the county in the  
12 proportion which the total mileage of such township or district  
13 roads in the respective road districts bears to the total  
14 mileage of all such township or district roads in the county.  
15 After July 1 of any year prior to 2011, no allocation shall be  
16 made for any road district unless it levied a tax for road and  
17 bridge purposes in an amount which will require the extension  
18 of such tax against the taxable property in any such road  
19 district at a rate of not less than either .08% of the value  
20 thereof, based upon the assessment for the year immediately  
21 prior to the year in which such tax was levied and as equalized  
22 by the Department of Revenue or, in DuPage County, an amount  
23 equal to or greater than \$12,000 per mile of road under the  
24 jurisdiction of the road district, whichever is less. Beginning  
25 July 1, 2011 and each July 1 thereafter, an allocation shall be  
26 made for any road district if it levied a tax for road and

1 bridge purposes. In counties other than DuPage County, if the  
2 amount of the tax levy requires the extension of the tax  
3 against the taxable property in the road district at a rate  
4 that is less than 0.08% of the value thereof, based upon the  
5 assessment for the year immediately prior to the year in which  
6 the tax was levied and as equalized by the Department of  
7 Revenue, then the amount of the allocation for that road  
8 district shall be a percentage of the maximum allocation equal  
9 to the percentage obtained by dividing the rate extended by the  
10 district by 0.08%. In DuPage County, if the amount of the tax  
11 levy requires the extension of the tax against the taxable  
12 property in the road district at a rate that is less than the  
13 lesser of (i) 0.08% of the value of the taxable property in the  
14 road district, based upon the assessment for the year  
15 immediately prior to the year in which such tax was levied and  
16 as equalized by the Department of Revenue, or (ii) a rate that  
17 will yield an amount equal to \$12,000 per mile of road under  
18 the jurisdiction of the road district, then the amount of the  
19 allocation for the road district shall be a percentage of the  
20 maximum allocation equal to the percentage obtained by dividing  
21 the rate extended by the district by the lesser of (i) 0.08% or  
22 (ii) the rate that will yield an amount equal to \$12,000 per  
23 mile of road under the jurisdiction of the road district.

24 Prior to 2011, if any road district has levied a special  
25 tax for road purposes pursuant to Sections 6-601, 6-602 and  
26 6-603 of the Illinois Highway Code, and such tax was levied in

1 an amount which would require extension at a rate of not less  
2 than .08% of the value of the taxable property thereof, as  
3 equalized or assessed by the Department of Revenue, or, in  
4 DuPage County, an amount equal to or greater than \$12,000 per  
5 mile of road under the jurisdiction of the road district,  
6 whichever is less, such levy shall, however, be deemed a proper  
7 compliance with this Section and shall qualify such road  
8 district for an allotment under this Section. Beginning in 2011  
9 and thereafter, if any road district has levied a special tax  
10 for road purposes under Sections 6-601, 6-602, and 6-603 of the  
11 Illinois Highway Code, and the tax was levied in an amount that  
12 would require extension at a rate of not less than 0.08% of the  
13 value of the taxable property of that road district, as  
14 equalized or assessed by the Department of Revenue or, in  
15 DuPage County, an amount equal to or greater than \$12,000 per  
16 mile of road under the jurisdiction of the road district,  
17 whichever is less, that levy shall be deemed a proper  
18 compliance with this Section and shall qualify such road  
19 district for a full, rather than proportionate, allotment under  
20 this Section. If the levy for the special tax is less than  
21 0.08% of the value of the taxable property, or, in DuPage  
22 County if the levy for the special tax is less than the lesser  
23 of (i) 0.08% or (ii) \$12,000 per mile of road under the  
24 jurisdiction of the road district, and if the levy for the  
25 special tax is more than any other levy for road and bridge  
26 purposes, then the levy for the special tax qualifies the road

1 district for a proportionate, rather than full, allotment under  
2 this Section. If the levy for the special tax is equal to or  
3 less than any other levy for road and bridge purposes, then any  
4 allotment under this Section shall be determined by the other  
5 levy for road and bridge purposes.

6 Prior to 2011, if a township has transferred to the road  
7 and bridge fund money which, when added to the amount of any  
8 tax levy of the road district would be the equivalent of a tax  
9 levy requiring extension at a rate of at least .08%, or, in  
10 DuPage County, an amount equal to or greater than \$12,000 per  
11 mile of road under the jurisdiction of the road district,  
12 whichever is less, such transfer, together with any such tax  
13 levy, shall be deemed a proper compliance with this Section and  
14 shall qualify the road district for an allotment under this  
15 Section.

16 In counties in which a property tax extension limitation is  
17 imposed under the Property Tax Extension Limitation Law, road  
18 districts may retain their entitlement to a motor fuel tax  
19 allotment or, beginning in 2011, their entitlement to a full  
20 allotment if, at the time the property tax extension limitation  
21 was imposed, the road district was levying a road and bridge  
22 tax at a rate sufficient to entitle it to a motor fuel tax  
23 allotment and continues to levy the maximum allowable amount  
24 after the imposition of the property tax extension limitation.  
25 Any road district may in all circumstances retain its  
26 entitlement to a motor fuel tax allotment or, beginning in

1 2011, its entitlement to a full allotment if it levied a road  
2 and bridge tax in an amount that will require the extension of  
3 the tax against the taxable property in the road district at a  
4 rate of not less than 0.08% of the assessed value of the  
5 property, based upon the assessment for the year immediately  
6 preceding the year in which the tax was levied and as equalized  
7 by the Department of Revenue or, in DuPage County, an amount  
8 equal to or greater than \$12,000 per mile of road under the  
9 jurisdiction of the road district, whichever is less.

10 As used in this Section the term "road district" means any  
11 road district, including a county unit road district, provided  
12 for by the Illinois Highway Code; and the term "township or  
13 district road" means any road in the township and district road  
14 system as defined in the Illinois Highway Code. For the  
15 purposes of this Section, "township or district road" also  
16 includes such roads as are maintained by park districts, forest  
17 preserve districts and conservation districts. The Department  
18 of Transportation shall determine the mileage of all township  
19 and district roads for the purposes of making allotments and  
20 allocations of motor fuel tax funds for use in road districts.

21 Payment of motor fuel tax moneys to municipalities and  
22 counties shall be made as soon as possible after the allotment  
23 is made. The treasurer of the municipality or county may invest  
24 these funds until their use is required and the interest earned  
25 by these investments shall be limited to the same uses as the  
26 principal funds.

1 (Source: P.A. 97-72, eff. 7-1-11; 97-333, eff. 8-12-11; 98-24,  
2 eff. 6-19-13; 98-674, eff. 6-30-14.)

3 (35 ILCS 505/8b new)

4 Sec. 8b. Distribution of proceeds into the Metropolitan  
5 Transit and Road Improvement Fund.

6 (a) All money received by the Department under paragraph  
7 (f) of Section 2 of this Act shall be deposited into a special  
8 fund in the State treasury, to be known as the Metropolitan  
9 Transit and Road Improvement Fund, and must be apportioned and  
10 disbursed as follows:

11 (1) All of the proceeds collected from within the  
12 counties of Cook, Lake, DuPage, Kane, McHenry, and Will  
13 shall be distributed to the Regional Transportation  
14 Authority and must be used to make grants to the service  
15 boards for mass transit-related purposes.

16 (2) All of the proceeds collected from outside the  
17 counties of Cook, Lake, DuPage, Kane, McHenry, and Will  
18 shall be distributed to the Illinois Department of  
19 Transportation and must be used for the following  
20 transportation-related purposes in counties other than  
21 Cook, Lake, DuPage, Kane, McHenry, and Will: (i) the Road  
22 Fund; (ii) the Downstate Transit Improvement Fund; and  
23 (iii) payments made by the Department of Transportation to  
24 Amtrak for passenger-train service in Illinois.

25 (c) The disbursement of any moneys under this Section may



1 not reduce any amount to be appropriated to a municipality,  
2 township, or county, under any statutory local highway program  
3 or discretionary local highway program.

4 Section 97. Severability. The provisions of this Act are  
5 severable under Section 1.31 of the Statute on Statutes.

6 Section 99. Effective date. This Act takes effect July 1,  
7 2015.