



Rep. Jerry F. Costello, II

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LRB099 08472 HLH 32967 a

1 AMENDMENT TO HOUSE BILL 3378

2 AMENDMENT NO. _____. Amend House Bill 3378 by replacing
3 everything after the enacting clause with the following:

4 "Section 3. The Department of Agriculture Law of the Civil
5 Administrative Code of Illinois is amended by adding Sections
6 205-455 and 205-460 as follows:

7 (20 ILCS 205/205-455 new)

8 Sec. 205-455. Grants for water quality research. Subject
9 to appropriation, the Department is authorized to award grants
10 to eligible applicants for the purchase or acquisition of field
11 equipment used for water quality research. The annual aggregate
12 amount of grants awarded under this Section may not exceed
13 \$500,000 in any fiscal year from Fiscal Year 2016 through
14 Fiscal Year 2018.

15 (20 ILCS 205/205-460 new)

1 Sec. 205-460. Extension grants. The Department may make
2 grants to the University of Illinois for the purpose of
3 conducting agricultural extension programs in the State in an
4 amount not to exceed \$2,000,000 in any State fiscal year.

5 Section 5. The Department of Commerce and Economic
6 Opportunity Law of the Civil Administrative Code of Illinois is
7 amended by adding Section 605-1020 as follows:

8 (20 ILCS 605/605-1020 new)

9 Sec. 605-1020. National Corn to Ethanol Research Center
10 grants. Subject to appropriation, the Department shall make
11 grants to Southern Illinois University at Edwardsville for the
12 support of the National Corn to Ethanol Research Center in an
13 amount not to exceed \$2,250,000 in any State fiscal year.

14 Section 7. The Illinois Renewable Fuels Development
15 Program Act is amended by changing Sections 15 and 20 as
16 follows:

17 (20 ILCS 689/15)

18 Sec. 15. Illinois Renewable Fuels Development Program.

19 (a) The Department must develop and administer the Illinois
20 Renewable Fuels Development Program to assist in the
21 construction, modification, alteration, or retrofitting of
22 renewable fuel plants in Illinois. The recipient of a grant

1 under this Section must:

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

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

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

10 (b) Grant applications must be made on forms provided by
11 and in accordance with procedures established by the
12 Department.

13 (c) The Department must give preference to applicants that
14 use Illinois agricultural products in the production of
15 renewable fuel at the plant for which the grant is being
16 requested.

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

18 (20 ILCS 689/20)

19 Sec. 20. Grants. Subject to appropriation, the Director is
20 authorized to award grants to eligible applicants for the
21 installation of majority blended ethanol and blender pump
22 fueling facilities. The annual aggregate amount of grants
23 awarded under this Section shall not exceed \$6,000,000 in any
24 fiscal year from Fiscal Year 2016 through Fiscal Year 2018. The
25 ~~annual aggregate amount of grants awarded shall not exceed~~

1 ~~\$20,000,000, except that this amount does not include amounts,~~
2 ~~up to \$4,000,000 per grant, that may be awarded to each~~
3 ~~eligible applicant who installs advanced technologies for~~
4 ~~water usage, carbon footprint reduction, and other blending~~
5 ~~improvements designed to optimize processes at the applicant's~~
6 ~~renewable fuels facility.~~

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

8 Section 10. The Use Tax Act is amended by changing Sections
9 3-10, 3-40, and 3-44 and by adding Section 3-44.3 as follows:

10 (35 ILCS 105/3-10)

11 Sec. 3-10. Rate of tax. Unless otherwise provided in this
12 Section, the tax imposed by this Act is at the rate of 6.25% of
13 either the selling price or the fair market value, if any, of
14 the tangible personal property. In all cases where property
15 functionally used or consumed is the same as the property that
16 was purchased at retail, then the tax is imposed on the selling
17 price of the property. In all cases where property functionally
18 used or consumed is a by-product or waste product that has been
19 refined, manufactured, or produced from property purchased at
20 retail, then the tax is imposed on the lower of the fair market
21 value, if any, of the specific property so used in this State
22 or on the selling price of the property purchased at retail.
23 For purposes of this Section "fair market value" means the
24 price at which property would change hands between a willing

1 buyer and a willing seller, neither being under any compulsion
2 to buy or sell and both having reasonable knowledge of the
3 relevant facts. The fair market value shall be established by
4 Illinois sales by the taxpayer of the same property as that
5 functionally used or consumed, or if there are no such sales by
6 the taxpayer, then comparable sales or purchases of property of
7 like kind and character in Illinois.

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

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

15 With respect to gasohol, the tax imposed by this Act
16 applies to (i) 70% of the proceeds of sales made on or after
17 January 1, 1990, and before July 1, 2003, (ii) 80% of the
18 proceeds of sales made on or after July 1, 2003 and on or
19 before June 30, 2015, (iii) 90% of the proceeds of sales made
20 on or after July 1, 2015 and on or before December 31, 2018,
21 and (iv) ~~(iii)~~ 100% of the proceeds of sales made thereafter.
22 If, at any time, however, the tax under this Act on sales of
23 gasohol is imposed at the rate of 1.25%, then the tax imposed
24 by this Act applies to 100% of the proceeds of sales of gasohol
25 made during that time.

26 With respect to mid-range ethanol blends, the tax imposed

1 by this Act applies to (i) 80% of the proceeds of sales made on
2 or after July 1, 2015 and on or before December 31, 2018 and
3 (ii) 100% of the proceeds of sales made thereafter. If, at any
4 time, however, the tax under this Act on sales of mid-range
5 ethanol blends is imposed at the rate of 1.25%, then the tax
6 imposed by this Act applies to 100% of the proceeds of sales of
7 mid-range ethanol blends made during that time.

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

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

23 With respect to 100% biodiesel and biodiesel blends with
24 more than 10% but no more than 99% biodiesel, the tax imposed
25 by this Act does not apply to the proceeds of sales made on or
26 after July 1, 2003 and on or before December 31, 2018 but

1 applies to 100% of the proceeds of sales made thereafter.

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

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

1 products, soy, rice or similar milk substitutes, or greater
2 than 50% of vegetable or fruit juice by volume.

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

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

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

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

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

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

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

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

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

2 (35 ILCS 105/3-40) (from Ch. 120, par. 439.3-40)

3 Sec. 3-40. Gasohol. As used in this Act, "gasohol" means
4 motor fuel that is a denatured ethanol and gasoline blend ~~of~~
5 ~~denatured ethanol and gasoline~~ that contains (i) no more than
6 1.25% water by weight and (ii) the maximum proportion of
7 ethanol authorized by the United States Environmental
8 Protection Agency under Section 211 of the Clean Air Act. ~~The~~
9 ~~blend must contain 90% gasoline and 10% denatured ethanol.~~ A
10 maximum of one percent error factor in the amount of denatured
11 ethanol used in the blend is allowable to compensate for
12 blending equipment variations. Any person who knowingly sells
13 or represents as gasohol any fuel that does not qualify as
14 gasohol under this Act is guilty of a business offense and
15 shall be fined not more than \$100 for each day that the sale or
16 representation takes place after notification from the
17 Department of Agriculture that the fuel in question does not
18 qualify as gasohol.

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

20 (35 ILCS 105/3-44)

21 Sec. 3-44. Majority blended ethanol fuel. "Majority
22 blended ethanol fuel" means motor fuel that (i) contains not
23 less than 51% and no more than 83% by volume ethanol, as
24 specified in ASTM Standard DS798-11 and (ii) is capable of

1 being used in the operation of flexible fuel vehicles. 70% and
2 no more than 90% denatured ethanol and no less than 10% and no
3 more than 30% gasoline.

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

5 (35 ILCS 105/3-44.3 new)

6 Sec. 3-44.3. Mid-range ethanol blend. "Mid-range ethanol
7 blend" means a blend of gasoline and denatured ethanol that
8 contains not less than 20% but less than 51% denatured ethanol.

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

11 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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

22 With respect to gasohol, as defined in the Use Tax Act, the
23 tax imposed by this Act applies to (i) 70% of the selling price

1 of property transferred as an incident to the sale of service
2 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
3 of the selling price of property transferred as an incident to
4 the sale of service on or after July 1, 2003 and on or before
5 June 30, 2015, (iii) 90% of the selling price of property
6 transferred as an incident to the sale of service on or after
7 July 1, 2015, and on or before December 31, 2018, and (iv)
8 ~~(iii)~~ 100% of the selling price thereafter. If, at any time,
9 however, the tax under this Act on sales of gasohol, as defined
10 in the Use Tax Act, is imposed at the rate of 1.25%, then the
11 tax imposed by this Act applies to 100% of the proceeds of
12 sales of gasohol made during that time.

13 With respect to mid-range ethanol blends, as defined in the
14 Use Tax Act, the tax imposed by this Act applies to (i) 80% of
15 the selling price of property transferred as an incident to the
16 sale of service on or after July 1, 2015 and on or before
17 December 31, 2018 and (ii) 100% of the selling price
18 thereafter. If, at any time, however, the tax under this Act on
19 sales of mid-range ethanol blends is imposed at the rate of
20 1.25%, then the tax imposed by this Act applies to 100% of the
21 proceeds of sales of mid-range ethanol blends made during that
22 time.

23 With respect to majority blended ethanol fuel, as defined
24 in the Use Tax Act, the tax imposed by this Act does not apply
25 to the selling price of property transferred as an incident to
26 the sale of service on or after July 1, 2003 and on or before

1 December 31, 2018 but applies to 100% of the selling price
2 thereafter.

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

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

22 At the election of any registered serviceman made for each
23 fiscal year, sales of service in which the aggregate annual
24 cost price of tangible personal property transferred as an
25 incident to the sales of service is less than 35%, or 75% in
26 the case of servicemen transferring prescription drugs or

1 servicemen engaged in graphic arts production, of the aggregate
2 annual total gross receipts from all sales of service, the tax
3 imposed by this Act shall be based on the serviceman's cost
4 price of the tangible personal property transferred as an
5 incident to the sale of those services.

6 The tax shall be imposed at the rate of 1% on food prepared
7 for immediate consumption and transferred incident to a sale of
8 service subject to this Act or the Service Occupation Tax Act
9 by an entity licensed under the Hospital Licensing Act, the
10 Nursing Home Care Act, the ID/DD Community Care Act, the
11 Specialized Mental Health Rehabilitation Act of 2013, or the
12 Child Care Act of 1969. The tax shall also be imposed at the
13 rate of 1% on food for human consumption that is to be consumed
14 off the premises where it is sold (other than alcoholic
15 beverages, soft drinks, and food that has been prepared for
16 immediate consumption and is not otherwise included in this
17 paragraph) and prescription and nonprescription medicines,
18 drugs, medical appliances, modifications to a motor vehicle for
19 the purpose of rendering it usable by a disabled person, and
20 insulin, urine testing materials, syringes, and needles used by
21 diabetics, for human use. For the purposes of this Section,
22 until September 1, 2009: the term "soft drinks" means any
23 complete, finished, ready-to-use, non-alcoholic drink, whether
24 carbonated or not, including but not limited to soda water,
25 cola, fruit juice, vegetable juice, carbonated water, and all
26 other preparations commonly known as soft drinks of whatever

1 kind or description that are contained in any closed or sealed
2 bottle, can, carton, or container, regardless of size; but
3 "soft drinks" does not include coffee, tea, non-carbonated
4 water, infant formula, milk or milk products as defined in the
5 Grade A Pasteurized Milk and Milk Products Act, or drinks
6 containing 50% or more natural fruit or vegetable juice.

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

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

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "food for human consumption that

1 is to be consumed off the premises where it is sold" does not
2 include candy. For purposes of this Section, "candy" means a
3 preparation of sugar, honey, or other natural or artificial
4 sweeteners in combination with chocolate, fruits, nuts or other
5 ingredients or flavorings in the form of bars, drops, or
6 pieces. "Candy" does not include any preparation that contains
7 flour or requires refrigeration.

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

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

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

25 Beginning on January 1, 2014 (the effective date of Public
26 Act 98-122), "prescription and nonprescription medicines and

1 drugs" includes medical cannabis purchased from a registered
2 dispensing organization under the Compassionate Use of Medical
3 Cannabis Pilot Program Act.

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

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

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

16 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

17 Sec. 3-10. Rate of tax. Unless otherwise provided in this
18 Section, the tax imposed by this Act is at the rate of 6.25% of
19 the "selling price", as defined in Section 2 of the Service Use
20 Tax Act, of the tangible personal property. For the purpose of
21 computing this tax, in no event shall the "selling price" be
22 less than the cost price to the serviceman of the tangible
23 personal property transferred. The selling price of each item
24 of tangible personal property transferred as an incident of a

1 sale of service may be shown as a distinct and separate item on
2 the serviceman's billing to the service customer. If the
3 selling price is not so shown, the selling price of the
4 tangible personal property is deemed to be 50% of the
5 serviceman's entire billing to the service customer. When,
6 however, a serviceman contracts to design, develop, and produce
7 special order machinery or equipment, the tax imposed by this
8 Act shall be based on the serviceman's cost price of the
9 tangible personal property transferred incident to the
10 completion of the contract.

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

15 With respect to gasohol, as defined in the Use Tax Act, the
16 tax imposed by this Act shall apply to (i) 70% of the cost
17 price of property transferred as an incident to the sale of
18 service on or after January 1, 1990, and before July 1, 2003,
19 (ii) 80% of the selling price of property transferred as an
20 incident to the sale of service on or after July 1, 2003 and on
21 or before June 30, 2015, (iii) 90% of the selling price of
22 property transferred as an incident to the sale of service on
23 or after July 1, 2015, and on or before December 31, 2018, and
24 (iv) ~~(iii)~~ 100% of the cost price thereafter. If, at any time,
25 however, the tax under this Act on sales of gasohol, as defined
26 in the Use Tax Act, is imposed at the rate of 1.25%, then the

1 tax imposed by this Act applies to 100% of the proceeds of
2 sales of gasohol made during that time.

3 With respect to mid-range ethanol blends, as defined in the
4 Use Tax Act, the tax imposed by this Act applies to (i) 80% of
5 the selling price of property transferred as an incident to the
6 sale of service on or after July 1, 2015 and on or before
7 December 31, 2018 and (ii) 100% of the selling price
8 thereafter. If, at any time, however, the tax under this Act on
9 sales of mid-range ethanol blends is imposed at the rate of
10 1.25%, then the tax imposed by this Act applies to 100% of the
11 proceeds of sales of mid-range ethanol blends made during that
12 time.

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

19 With respect to biodiesel blends, as defined in the Use Tax
20 Act, with no less than 1% and no more than 10% biodiesel, the
21 tax imposed by this Act applies to (i) 80% of the selling price
22 of property transferred as an incident to the sale of service
23 on or after July 1, 2003 and on or before December 31, 2018 and
24 (ii) 100% of the proceeds of the selling price thereafter. If,
25 at any time, however, the tax under this Act on sales of
26 biodiesel blends, as defined in the Use Tax Act, with no less

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

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

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

23 The tax shall be imposed at the rate of 1% on food prepared
24 for immediate consumption and transferred incident to a sale of
25 service subject to this Act or the Service Occupation Tax Act
26 by an entity licensed under the Hospital Licensing Act, the

1 Nursing Home Care Act, the ID/DD Community Care Act, the
2 Specialized Mental Health Rehabilitation Act of 2013, or the
3 Child Care Act of 1969. The tax shall also be imposed at the
4 rate of 1% on food for human consumption that is to be consumed
5 off the premises where it is sold (other than alcoholic
6 beverages, soft drinks, and food that has been prepared for
7 immediate consumption and is not otherwise included in this
8 paragraph) and prescription and nonprescription medicines,
9 drugs, medical appliances, modifications to a motor vehicle for
10 the purpose of rendering it usable by a disabled person, and
11 insulin, urine testing materials, syringes, and needles used by
12 diabetics, for human use. For the purposes of this Section,
13 until September 1, 2009: the term "soft drinks" means any
14 complete, finished, ready-to-use, non-alcoholic drink, whether
15 carbonated or not, including but not limited to soda water,
16 cola, fruit juice, vegetable juice, carbonated water, and all
17 other preparations commonly known as soft drinks of whatever
18 kind or description that are contained in any closed or sealed
19 can, carton, or container, regardless of size; but "soft
20 drinks" does not include coffee, tea, non-carbonated water,
21 infant formula, milk or milk products as defined in the Grade A
22 Pasteurized Milk and Milk Products Act, or drinks containing
23 50% or more natural fruit or vegetable juice.

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

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

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

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

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

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

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

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

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

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

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

1 (35 ILCS 120/2-10)

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

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

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

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

1 offense for which the fine shall be \$500 per day per each
2 retail premises where a violation occurs.

3 With respect to gasohol, as defined in the Use Tax Act, the
4 tax imposed by this Act applies to (i) 70% of the proceeds of
5 sales made on or after January 1, 1990, and before July 1,
6 2003, (ii) 80% of the proceeds of sales made on or after July
7 1, 2003 and on or before June 30, 2015, (iii) 90% of the
8 proceeds of sales made on or after July 1, 2015 and on or
9 before December 31, 2018, and (iv) ~~(iii)~~ 100% of the proceeds
10 of sales made thereafter. If, at any time, however, the tax
11 under this Act on sales of gasohol, as defined in the Use Tax
12 Act, is imposed at the rate of 1.25%, then the tax imposed by
13 this Act applies to 100% of the proceeds of sales of gasohol
14 made during that time.

15 With respect to mid-range ethanol blends, as defined in the
16 Use Tax Act, the tax imposed by this Act applies to (i) 80% of
17 the proceeds of sales made on or after July 1, 2015 and on or
18 before December 31, 2018 and (ii) 100% of the proceeds of sales
19 made thereafter. If, at any time, however, the tax under this
20 Act on sales of mid-range ethanol blends is imposed at the rate
21 of 1.25%, then the tax imposed by this Act applies to 100% of
22 the proceeds of sales of mid-range ethanol blends made during
23 that time.

24 With respect to majority blended ethanol fuel, as defined
25 in the Use Tax Act, the tax imposed by this Act does not apply
26 to the proceeds of sales made on or after July 1, 2003 and on or

1 before December 31, 2018 but applies to 100% of the proceeds of
2 sales made thereafter.

3 With respect to biodiesel blends, as defined in the Use Tax
4 Act, with no less than 1% and no more than 10% biodiesel, the
5 tax imposed by this Act applies to (i) 80% of the proceeds of
6 sales made on or after July 1, 2003 and on or before December
7 31, 2018 and (ii) 100% of the proceeds of sales made
8 thereafter. If, at any time, however, the tax under this Act on
9 sales of biodiesel blends, as defined in the Use Tax Act, with
10 no less than 1% and no more than 10% biodiesel is imposed at
11 the rate of 1.25%, then the tax imposed by this Act applies to
12 100% of the proceeds of sales of biodiesel blends with no less
13 than 1% and no more than 10% biodiesel made during that time.

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

20 With respect to food for human consumption that is to be
21 consumed off the premises where it is sold (other than
22 alcoholic beverages, soft drinks, and food that has been
23 prepared for immediate consumption) and prescription and
24 nonprescription medicines, drugs, medical appliances,
25 modifications to a motor vehicle for the purpose of rendering
26 it usable by a disabled person, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human
2 use, the tax is imposed at the rate of 1%. For the purposes of
3 this Section, until September 1, 2009: the term "soft drinks"
4 means any complete, finished, ready-to-use, non-alcoholic
5 drink, whether carbonated or not, including but not limited to
6 soda water, cola, fruit juice, vegetable juice, carbonated
7 water, and all other preparations commonly known as soft drinks
8 of whatever kind or description that are contained in any
9 closed or sealed bottle, can, carton, or container, regardless
10 of size; but "soft drinks" does not include coffee, tea,
11 non-carbonated water, infant formula, milk or milk products as
12 defined in the Grade A Pasteurized Milk and Milk Products Act,
13 or drinks containing 50% or more natural fruit or vegetable
14 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 the effective date of this amendatory Act of
8 the 98th General Assembly, "prescription and nonprescription
9 medicines and drugs" includes medical cannabis purchased from a
10 registered dispensing organization under the Compassionate Use
11 of Medical Cannabis Pilot Program Act.

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

13 Section 30. The School Code is amended by adding Section
14 2-3.65b as follows:

15 (105 ILCS 5/2-3.65b new)

16 Sec. 2-3.65b. Grants for agriculture education programs.
17 Subject to appropriation, the State Board of Education may
18 award grants to public schools in the State to fund agriculture
19 education programs. The annual aggregate amount of grants
20 awarded under this Section may not exceed \$2,000,000 in any
21 State fiscal year.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law."