

1 AMENDMENT TO SENATE BILL 1176

2 AMENDMENT NO. _____. Amend Senate Bill 1176 on page 1,
3 immediately below line 3, by inserting the following:

4 "Section 1.1. Short title. This Act may be cited as the
5 Motor Fuel Consumer Relief Tax Act.

6 Section 1.5. Legislative intent. The goals of this Act
7 are to grant relief to the consumer of Illinois motor fuel
8 and, at the same time, to bring in the revenue that is
9 necessary to meet current State fiscal needs. These goals
10 can best be met by reverse-indexing the State use and
11 occupation taxes on motor fuel to the price of motor fuel so
12 that if the price of motor fuel goes up, the percentage of
13 tax imposed on motor fuel will decrease, and vice versa.

14 Section 1.10. Definitions. As used in this Act:

15 "Department" means the Illinois Department of Revenue.

16 Section 1.15. Department to determine amount of revenue
17 generated by State use and occupation taxes on motor fuel.
18 The Department of Revenue must determine, before July 1,
19 2001, the average quarterly revenues earned by the State
20 through the State's portion of the use and occupation taxes

1 on motor fuel during the 3 State fiscal years 1999, 2000, and
2 2001.

3 Section 1.20. Department to determine quarterly motor
4 fuel usage and price. The Department must estimate, before
5 June 30, 2001, Illinois motor fuel usage by volume for the
6 quarter beginning on July 1, 2001 and the expected average
7 sales price of motor fuel in Illinois for the quarter
8 beginning on July 1, 2001. For each quarter thereafter,
9 before the end of the quarter preceding that quarter, the
10 Department must estimate Illinois motor fuel usage by volume
11 for that quarter and the expected average sales price of
12 motor fuel in Illinois for that quarter.

13 Section 1.25. Department to estimate tax revenues
14 required to maintain current revenue levels. The Department,
15 using the estimates generated in Section 1.20, must
16 determine, before June 30, 2001, what the State use and
17 occupation tax rate on the selling price of motor fuel would
18 have to be for the quarter beginning on July 1, 2001 to bring
19 in the same amount of State use and occupation tax revenue in
20 the quarter beginning on July 1, 2001 as was brought in, on
21 average, during the same quarter in State fiscal years 1999,
22 2000, and 2001. For each quarter thereafter, before the end
23 of the quarter preceding that quarter, the Department must
24 determine what the State use and occupation tax rate on the
25 selling price of motor fuel would have to be for that quarter
26 to bring in the same amount of use and occupation tax revenue
27 in that quarter as was brought in, on average, during the
28 same quarter in State fiscal years 1999, 2000, and 2001.

29 Section 1.30. Rate of State use and occupation taxes on
30 motor fuel. Beginning on July 1, 2001, the use and
31 occupation tax imposed on motor fuel shall be at the rate

1 provided in Section 3-10 of the Use Tax Act, Section 3-10 of
2 the Service Use Tax Act, Section 3-10 of the Service
3 Occupation Tax Act, and Section 2-10 of the Retailers'
4 Occupation Tax Act, as applicable."; and

5 on page 5, by replacing line 7 with the following:

6 "Sections 3-10 and 9 as follows:

7 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

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

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

1 Beginning on July 1, 2001 and thereafter, with respect to
2 motor fuel, as defined in Section 1.1 of the Motor Fuel Tax
3 Law, the tax is imposed at the rate determined in Section
4 1.25 of the Motor Fuel Consumer Relief Tax Act and the tax
5 imposed at this rate shall be known as the Motor Fuel
6 Consumer Relief Tax.

7 With respect to gasohol, the tax imposed by this Act
8 applies to 70% of the proceeds of sales made on or after
9 January 1, 1990, and before July 1, 2003, and to 100% of the
10 proceeds of sales made thereafter.

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

31 Notwithstanding any other provisions of this Act, "food
32 for human consumption that is to be consumed off the premises
33 where it is sold" includes all food sold through a vending
34 machine, except soft drinks and food products that are

1 dispensed hot from a vending machine, regardless of the
2 location of the vending machine.

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

10 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
11 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.); and

12 on page 23, by replacing line 19 with the following:

13 "changing Sections 3-10 and 9 as follows:

14 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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

26 With respect to gasohol, as defined in the Use Tax Act,
27 the tax imposed by this Act applies to 70% of the selling
28 price of property transferred as an incident to the sale of
29 service on or after January 1, 1990, and before July 1, 2003,
30 and to 100% of the selling price thereafter.

31 Beginning on July 1, 2001 and thereafter, with respect to
32 motor fuel, as defined in Section 1.1 of the Motor Fuel Tax
33 Law, the tax is imposed at the rate determined in Section

1 1.25 of the Motor Fuel Consumer Relief Tax Act and the tax
2 imposed at this rate shall be known as the Motor Fuel
3 Consumer Relief Tax.

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

14 The tax shall be imposed at the rate of 1% on food
15 prepared for immediate consumption and transferred incident
16 to a sale of service subject to this Act or the Service
17 Occupation Tax Act by an entity licensed under the Hospital
18 Licensing Act, the Nursing Home Care Act, or the Child Care
19 Act of 1969. The tax shall also be imposed at the rate of 1%
20 on food for human consumption that is to be consumed off the
21 premises where it is sold (other than alcoholic beverages,
22 soft drinks, and food that has been prepared for immediate
23 consumption and is not otherwise included in this paragraph)
24 and prescription and nonprescription medicines, drugs,
25 medical appliances, modifications to a motor vehicle for the
26 purpose of rendering it usable by a disabled person, and
27 insulin, urine testing materials, syringes, and needles used
28 by diabetics, for human use. For the purposes of this
29 Section, the term "soft drinks" means any complete, finished,
30 ready-to-use, non-alcoholic drink, whether carbonated or not,
31 including but not limited to soda water, cola, fruit juice,
32 vegetable juice, carbonated water, and all other preparations
33 commonly known as soft drinks of whatever kind or description
34 that are contained in any closed or sealed bottle, can,

1 carton, or container, regardless of size. "Soft drinks" does
2 not include coffee, tea, non-carbonated water, infant
3 formula, milk or milk products as defined in the Grade A
4 Pasteurized Milk and Milk Products Act, or drinks containing
5 50% or more natural fruit or vegetable juice.

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

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
18 out-of-state use.

19 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
20 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.
21 7-1-00.)"; and

22 on page 33, by replacing line 21 with the following:

23 "changing Sections 3-10 and 9 as follows:

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

25 Sec. 3-10. Rate of tax. Unless otherwise provided in
26 this Section, the tax imposed by this Act is at the rate of
27 6.25% of the "selling price", as defined in Section 2 of the
28 Service Use Tax Act, of the tangible personal property. For
29 the purpose of computing this tax, in no event shall the
30 "selling price" be less than the cost price to the serviceman
31 of the tangible personal property transferred. The selling
32 price of each item of tangible personal property transferred
33 as an incident of a sale of service may be shown as a

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

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

14 Beginning on July 1, 2001 and thereafter, with respect to
15 motor fuel, as defined in Section 1.1 of the Motor Fuel Tax
16 Law, the tax is imposed at the rate determined in Section
17 1.25 of the Motor Fuel Consumer Relief Tax Act and the tax
18 imposed at this rate shall be known as the Motor Fuel
19 Consumer Relief Tax.

20 With respect to gasohol, as defined in the Use Tax Act,
21 the tax imposed by this Act shall apply to 70% of the cost
22 price of property transferred as an incident to the sale of
23 service on or after January 1, 1990, and before July 1, 2003,
24 and to 100% of the cost price thereafter.

25 At the election of any registered serviceman made for
26 each fiscal year, sales of service in which the aggregate
27 annual cost price of tangible personal property transferred
28 as an incident to the sales of service is less than 35%, or
29 75% in the case of servicemen transferring prescription drugs
30 or servicemen engaged in graphic arts production, of the
31 aggregate annual total gross receipts from all sales of
32 service, the tax imposed by this Act shall be based on the
33 serviceman's cost price of the tangible personal property
34 transferred incident to the sale of those services.

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

27 Notwithstanding any other provisions of this Act, "food
28 for human consumption that is to be consumed off the premises
29 where it is sold" includes all food sold through a vending
30 machine, except soft drinks and food products that are
31 dispensed hot from a vending machine, regardless of the
32 location of the vending machine.

33 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
34 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)";

1 and

2 on page 45, by replacing line 23 with the following:

3 "by changing Sections 2-10 and 3 as follows:

4 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

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

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

28 Beginning on July 1, 2001 and thereafter, with respect to
29 motor fuel, as defined in Section 1.1 of the Motor Fuel Tax
30 Law, the tax is imposed at the rate determined in Section
31 1.25 of the Motor Fuel Consumer Relief Tax Act and the tax
32 imposed at this rate shall be known as the Motor Fuel
33 Consumer Relief Tax.

1 With respect to gasohol, as defined in the Use Tax Act,
2 the tax imposed by this Act applies to 70% of the proceeds of
3 sales made on or after January 1, 1990, and before July 1,
4 2003, and to 100% of the proceeds of sales made thereafter.

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

25 Notwithstanding any other provisions of this Act, "food
26 for human consumption that is to be consumed off the premises
27 where it is sold" includes all food sold through a vending
28 machine, except soft drinks and food products that are
29 dispensed hot from a vending machine, regardless of the
30 location of the vending machine.

31 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
32 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)".