

1 AN ACT in relation to taxes.

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 and 6z-20 as follows:

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

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

19 A portion of the money paid into the Local Government Tax  
20 Fund from the 6.25% general use tax rate on the selling price  
21 of tangible personal property which is purchased outside  
22 Illinois at retail from a retailer and which is titled or  
23 registered by any agency of this State's government shall be  
24 distributed to municipalities as provided in this paragraph.  
25 Each municipality shall receive the amount attributable to  
26 sales for which Illinois addresses for titling or  
27 registration purposes are given as being in such  
28 municipality. The remainder of the money paid into the Local  
29 Government Tax Fund from such sales shall be distributed to  
30 counties. Each county shall receive the amount attributable  
31 to sales for which Illinois addresses for titling or

1 registration purposes are given as being located in the  
2 unincorporated area of such county.

3 A portion of the money paid into the Local Government Tax  
4 Fund from the 6.25% general rate (and, beginning July 1, 2000  
5 and through December 31, 2000, the 1.25% rate on motor fuel  
6 and gasohol and, beginning again on July 1, 2001 and  
7 thereafter, the 1.25% rate on motor fuel and gasohol) on  
8 sales subject to taxation under the Retailers' Occupation Tax  
9 Act and the Service Occupation Tax Act, which occurred in  
10 municipalities, shall be distributed to each municipality,  
11 based upon the sales which occurred in that municipality. The  
12 remainder shall be distributed to each county, based upon the  
13 sales which occurred in the unincorporated area of such  
14 county.

15 For the purpose of determining allocation to the local  
16 government unit, a retail sale by a producer of coal or other  
17 mineral mined in Illinois is a sale at retail at the place  
18 where the coal or other mineral mined in Illinois is  
19 extracted from the earth. This paragraph does not apply to  
20 coal or other mineral when it is delivered or shipped by the  
21 seller to the purchaser at a point outside Illinois so that  
22 the sale is exempt under the United States Constitution as a  
23 sale in interstate or foreign commerce.

24 Whenever the Department determines that a refund of money  
25 paid into the Local Government Tax Fund should be made to a  
26 claimant instead of issuing a credit memorandum, the  
27 Department shall notify the State Comptroller, who shall  
28 cause the order to be drawn for the amount specified, and to  
29 the person named, in such notification from the Department.  
30 Such refund shall be paid by the State Treasurer out of the  
31 Local Government Tax Fund.

32 On or before the 25th day of each calendar month, the  
33 Department shall prepare and certify to the Comptroller the  
34 disbursement of stated sums of money to named municipalities

1 and counties, the municipalities and counties to be those  
2 entitled to distribution of taxes or penalties paid to the  
3 Department during the second preceding calendar month. The  
4 amount to be paid to each municipality or county shall be the  
5 amount (not including credit memoranda) collected during the  
6 second preceding calendar month by the Department and paid  
7 into the Local Government Tax Fund, plus an amount the  
8 Department determines is necessary to offset any amounts  
9 which were erroneously paid to a different taxing body, and  
10 not including an amount equal to the amount of refunds made  
11 during the second preceding calendar month by the Department,  
12 and not including any amount which the Department determines  
13 is necessary to offset any amounts which are payable to a  
14 different taxing body but were erroneously paid to the  
15 municipality or county. Within 10 days after receipt, by the  
16 Comptroller, of the disbursement certification to the  
17 municipalities and counties, provided for in this Section to  
18 be given to the Comptroller by the Department, the  
19 Comptroller shall cause the orders to be drawn for the  
20 respective amounts in accordance with the directions  
21 contained in such certification.

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

29 The provisions directing the distributions from the  
30 special fund in the State Treasury provided for in this  
31 Section shall constitute an irrevocable and continuing  
32 appropriation of all amounts as provided herein. The State  
33 Treasurer and State Comptroller are hereby authorized to make  
34 distributions as provided in this Section.

1           In construing any development, redevelopment, annexation,  
2           preannexation or other lawful agreement in effect prior to  
3           September 1, 1990, which describes or refers to receipts from  
4           a county or municipal retailers' occupation tax, use tax or  
5           service occupation tax which now cannot be imposed, such  
6           description or reference shall be deemed to include the  
7           replacement revenue for such abolished taxes, distributed  
8           from the Local Government Tax Fund.

9           (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99;  
10          91-872, eff. 7-1-00.)

11          (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

12          Sec. 6z-20. Of the money received from the 6.25% general  
13          rate (and, beginning July 1, 2000 and through December 31,  
14          2000, the 1.25% rate on motor fuel and gasohol and, beginning  
15          again on July 1, 2001 and thereafter, the 1.25% rate on motor  
16          fuel and gasohol) on sales subject to taxation under the  
17          Retailers' Occupation Tax Act and Service Occupation Tax Act  
18          and paid into the County and Mass Transit District Fund,  
19          distribution to the Regional Transportation Authority tax  
20          fund, created pursuant to Section 4.03 of the Regional  
21          Transportation Authority Act, for deposit therein shall be  
22          made based upon the retail sales occurring in a county having  
23          more than 3,000,000 inhabitants. The remainder shall be  
24          distributed to each county having 3,000,000 or fewer  
25          inhabitants based upon the retail sales occurring in each  
26          such county.

27          For the purpose of determining allocation to the local  
28          government unit, a retail sale by a producer of coal or other  
29          mineral mined in Illinois is a sale at retail at the place  
30          where the coal or other mineral mined in Illinois is  
31          extracted from the earth. This paragraph does not apply to  
32          coal or other mineral when it is delivered or shipped by the  
33          seller to the purchaser at a point outside Illinois so that

1 the sale is exempt under the United States Constitution as a  
2 sale in interstate or foreign commerce.

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

22 Whenever the Department determines that a refund of money  
23 paid into the County and Mass Transit District Fund should be  
24 made to a claimant instead of issuing a credit memorandum,  
25 the Department shall notify the State Comptroller, who shall  
26 cause the order to be drawn for the amount specified, and to  
27 the person named, in such notification from the Department.  
28 Such refund shall be paid by the State Treasurer out of the  
29 County and Mass Transit District Fund.

30 On or before the 25th day of each calendar month, the  
31 Department shall prepare and certify to the Comptroller the  
32 disbursement of stated sums of money to the Regional  
33 Transportation Authority and to named counties, the counties  
34 to be those entitled to distribution, as hereinabove

1 provided, of taxes or penalties paid to the Department during  
2 the second preceding calendar month. The amount to be paid  
3 to the Regional Transportation Authority and each county  
4 having 3,000,000 or fewer inhabitants shall be the amount  
5 (not including credit memoranda) collected during the second  
6 preceding calendar month by the Department and paid into the  
7 County and Mass Transit District Fund, plus an amount the  
8 Department determines is necessary to offset any amounts  
9 which were erroneously paid to a different taxing body, and  
10 not including an amount equal to the amount of refunds made  
11 during the second preceding calendar month by the Department,  
12 and not including any amount which the Department determines  
13 is necessary to offset any amounts which were payable to a  
14 different taxing body but were erroneously paid to the  
15 Regional Transportation Authority or county. Within 10 days  
16 after receipt, by the Comptroller, of the disbursement  
17 certification to the Regional Transportation Authority and  
18 counties, provided for in this Section to be given to the  
19 Comptroller by the Department, the Comptroller shall cause  
20 the orders to be drawn for the respective amounts in  
21 accordance with the directions contained in such  
22 certification.

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

30 The provisions directing the distributions from the  
31 special fund in the State Treasury provided for in this  
32 Section and from the Regional Transportation Authority tax  
33 fund created by Section 4.03 of the Regional Transportation  
34 Authority Act shall constitute an irrevocable and continuing

1 appropriation of all amounts as provided herein. The State  
2 Treasurer and State Comptroller are hereby authorized to make  
3 distributions as provided in this Section.

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

13 (Source: P.A. 90-491, eff. 1-1-98; 91-872, eff. 7-1-00.)

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

16 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

17 Sec. 3-10. Rate of tax. Unless otherwise provided in  
18 this Section, the tax imposed by this Act is at the rate of  
19 6.25% of either the selling price or the fair market value,  
20 if any, of the tangible personal property. In all cases  
21 where property functionally used or consumed is the same as  
22 the property that was purchased at retail, then the tax is  
23 imposed on the selling price of the property. In all cases  
24 where property functionally used or consumed is a by-product  
25 or waste product that has been refined, manufactured, or  
26 produced from property purchased at retail, then the tax is  
27 imposed on the lower of the fair market value, if any, of the  
28 specific property so used in this State or on the selling  
29 price of the property purchased at retail. For purposes of  
30 this Section "fair market value" means the price at which  
31 property would change hands between a willing buyer and a  
32 willing seller, neither being under any compulsion to buy or

1 sell and both having reasonable knowledge of the relevant  
2 facts. The fair market value shall be established by Illinois  
3 sales by the taxpayer of the same property as that  
4 functionally used or consumed, or if there are no such sales  
5 by the taxpayer, then comparable sales or purchases of  
6 property of like kind and character in Illinois.

7 Beginning on July 1, 2000 and through December 31, 2000,  
8 and beginning again on July 1, 2001 and thereafter, with  
9 respect to motor fuel, as defined in Section 1.1 of the Motor  
10 Fuel Tax Law, and gasohol, as defined in Section 3-40 of the  
11 Use Tax Act, the tax is imposed at the rate of 1.25%. The  
12 changes made by this amendatory Act of the 92nd General  
13 Assembly are exempt from the provisions of Section 3-90.

14 With respect to gasohol, the tax imposed by this Act  
15 applies to 70% of the proceeds of sales made on or after  
16 January 1, 1990, and before July 1, 2003, and to 100% of the  
17 proceeds of sales made thereafter.

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



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

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

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

17 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
18 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

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

21 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

29 Beginning on July 1, 2000 and through December 31, 2000,  
30 and beginning again on July 1, 2001 and thereafter, with  
31 respect to motor fuel, as defined in Section 1.1 of the Motor  
32 Fuel Tax Law, and gasohol, as defined in Section 3-40 of the

1 Use Tax Act, the tax is imposed at the rate of 1.25%. The  
2 changes made by this amendatory Act of the 92nd General  
3 Assembly are exempt from the provisions of Section 3-75.

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

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

19 The tax shall be imposed at the rate of 1% on food  
20 prepared for immediate consumption and transferred incident  
21 to a sale of service subject to this Act or the Service  
22 Occupation Tax Act by an entity licensed under the Hospital  
23 Licensing Act, the Nursing Home Care Act, or the Child Care  
24 Act of 1969. The tax shall also be imposed at the rate of 1%  
25 on food for human consumption that is to be consumed off the  
26 premises where it is sold (other than alcoholic beverages,  
27 soft drinks, and food that has been prepared for immediate  
28 consumption and is not otherwise included in this paragraph)  
29 and prescription and nonprescription medicines, drugs,  
30 medical appliances, modifications to a motor vehicle for the  
31 purpose of rendering it usable by a disabled person, and  
32 insulin, urine testing materials, syringes, and needles used  
33 by diabetics, for human use. For the purposes of this  
34 Section, the term "soft drinks" means any complete, finished,

1 ready-to-use, non-alcoholic drink, whether carbonated or not,  
2 including but not limited to soda water, cola, fruit juice,  
3 vegetable juice, carbonated water, and all other preparations  
4 commonly known as soft drinks of whatever kind or description  
5 that are contained in any closed or sealed bottle, can,  
6 carton, or container, regardless of size. "Soft drinks" does  
7 not include coffee, tea, non-carbonated water, infant  
8 formula, milk or milk products as defined in the Grade A  
9 Pasteurized Milk and Milk Products Act, or drinks containing  
10 50% or more natural fruit or vegetable juice.

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

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

24 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
25 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.  
26 7-1-00.)

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

29 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)  
30 Sec. 3-10. Rate of tax. Unless otherwise provided in  
31 this Section, the tax imposed by this Act is at the rate of  
32 6.25% of the "selling price", as defined in Section 2 of the

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

16 Beginning on July 1, 2000 and through December 31, 2000,  
17 and beginning again on July 1, 2001 and thereafter, with  
18 respect to motor fuel, as defined in Section 1.1 of the Motor  
19 Fuel Tax Law, and gasohol, as defined in Section 3-40 of the  
20 Use Tax Act, the tax is imposed at the rate of 1.25%. The  
21 changes made by this amendatory Act of the 92nd General  
22 Assembly are exempt from the provisions of Section 3-55.

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

28 At the election of any registered serviceman made for  
29 each fiscal year, sales of service in which the aggregate  
30 annual cost price of tangible personal property transferred  
31 as an incident to the sales of service is less than 35%, or  
32 75% in the case of servicemen transferring prescription drugs  
33 or servicemen engaged in graphic arts production, of the  
34 aggregate annual total gross receipts from all sales of

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

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

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

1 location of the vending machine.  
2 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
3 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

4 Section 25. The Retailers' Occupation Tax Act is amended  
5 by changing Sections 2-10 and 2d as follows:

6 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)  
7 Sec. 2-10. Rate of tax. Unless otherwise provided in  
8 this Section, the tax imposed by this Act is at the rate of  
9 6.25% of gross receipts from sales of tangible personal  
10 property made in the course of business.

11 Beginning on July 1, 2000 and through December 31, 2000,  
12 and beginning again on July 1, 2001 and thereafter, with  
13 respect to motor fuel, as defined in Section 1.1 of the Motor  
14 Fuel Tax Law, and gasohol, as defined in Section 3-40 of the  
15 Use Tax Act, the tax is imposed at the rate of 1.25%. The  
16 changes made by this amendatory Act of the 92nd General  
17 Assembly are exempt from the provisions of Section 2-70.

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

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.)

33 (35 ILCS 120/2d) (from Ch. 120, par. 441d)

1           Sec. 2d. Tax prepayment by motor fuel retailer. Any  
 2 person engaged in the business of selling motor fuel at  
 3 retail, as defined in the Motor Fuel Tax Law, and who is not  
 4 a licensed distributor or supplier, as defined in the Motor  
 5 Fuel Tax Law, shall prepay to his or her distributor,  
 6 supplier, or other reseller of motor fuel a portion of the  
 7 tax imposed by this Act if the distributor, supplier, or  
 8 other reseller of motor fuel is registered under Section 2a  
 9 or Section 2c of this Act. The prepayment requirement  
 10 provided for in this Section does not apply to liquid propane  
 11 gas.

12           Beginning on July 1, 2000 and through December 31, 2000,  
 13 the Retailers' Occupation Tax paid to the distributor,  
 14 supplier, or other reseller shall be an amount equal to \$0.01  
 15 per gallon of the motor fuel, ~~except gasohol as defined in~~  
 16 ~~Section 2-10 of this Act which shall be an amount equal to~~  
 17 ~~\$0.01 per gallon,~~ purchased from the distributor, supplier,  
 18 or other reseller.

19           Before July 1, 2000 and then beginning on January 1, 2001  
 20 and through June 30, 2001 thereafter, the Retailers'  
 21 Occupation Tax paid to the distributor, supplier, or other  
 22 reseller shall be an amount equal to \$0.04 per gallon of the  
 23 motor fuel, except gasohol as defined in Section 2-10 of this  
 24 Act which shall be an amount equal to \$0.03 per gallon,  
 25 purchased from the distributor, supplier, or other reseller.

26           Beginning again on July 1, 2001 and thereafter, the  
 27 Retailers' Occupation Tax paid to the distributor, supplier,  
 28 or other reseller shall be an amount equal to \$0.01 per  
 29 gallon of the motor fuel purchased from the distributor,  
 30 supplier, or other reseller.

31           Any person engaged in the business of selling motor fuel  
 32 at retail shall be entitled to a credit against tax due under  
 33 this Act in an amount equal to the tax paid to the  
 34 distributor, supplier, or other reseller.



1 Every distributor, supplier, or other reseller registered  
2 as provided in Section 2a or Section 2c of this Act shall  
3 remit the prepaid tax on all motor fuel that is due from any  
4 person engaged in the business of selling at retail motor  
5 fuel with the returns filed under Section 2f or Section 3 of  
6 this Act, but the vendors discount provided in Section 3  
7 shall not apply to the amount of prepaid tax that is  
8 remitted. Any distributor or supplier who fails to properly  
9 collect and remit the tax shall be liable for the tax. For  
10 purposes of this Section, the prepaid tax is due on invoiced  
11 gallons sold during a month by the 20th day of the following  
12 month.

13 (Source: P.A. 91-872, eff. 7-1-00.)

14 Section 30. The Motor Fuel Tax Law is amended by  
15 changing Section 13a as follows:

16 (35 ILCS 505/13a) (from Ch. 120, par. 429a)

17 Sec. 13a. (1) A tax is hereby imposed upon the use of  
18 motor fuel upon highways of this State by commercial motor  
19 vehicles. The tax shall be comprised of 2 parts. Part (a)  
20 shall be at the rate established by Section 2 of this Act, as  
21 heretofore or hereafter amended. Part (b) shall be at the  
22 rate established by subsection (2) of this Section as now or  
23 hereafter amended.

24 (2) For calendar years 1999 and before and for the  
25 periods of January through June of 2000 and 2001, a rate  
26 shall be established by the Department as of January 1 of  
27 each year using the average "selling price", as defined in  
28 the Retailers' Occupation Tax Act, per gallon of motor fuel  
29 sold in this State during the previous 12 months and  
30 multiplying it by 6 1/4% to determine the cents per gallon  
31 rate. For the period beginning on July 1, 2000 and through  
32 December 31, 2000, the Department shall establish a rate

1 using the average "selling price", as defined in the  
2 Retailers' Occupation Tax Act, per gallon of motor fuel sold  
3 in this State during calendar year 1999 and multiplying it by  
4 1.25% to determine the cents per gallon rate. For the period  
5 beginning on July 1, 2001 and through December 31, 2001, the  
6 Department shall establish a rate using the average "selling  
7 price", as defined in the Retailers' Occupation Tax Act, per  
8 gallon of motor fuel sold in this State during calendar year  
9 2000 and multiplying it by 1.25% to determine the cents per  
10 gallon rate. On January 1, 2002 and on each January 1  
11 thereafter the Department shall establish a rate using the  
12 average "selling price", as defined in the Retailers'  
13 Occupation Tax Act, per gallon of motor fuel sold in this  
14 State during the previous 12 months and multiplying it by  
15 1.25% to determine the cents per gallon rate.  
16 (Source: P.A. 91-872, eff. 7-1-00.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.