

1 AN ACT regarding taxes.

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

4 Section 5. The Motor Fuel Tax Law is amended by changing
5 Sections 2b, 4e, 5a, 6a, 8, 13, 13a.6, and 15 and by adding
6 Sections 1.27, 1.28, and 1.29 as follows:

7 (35 ILCS 505/1.27 new)

8 Sec. 1.27. "Power take-off equipment" means any accessory
9 that is mounted onto or designed as an integral part of a
10 transmission of a motor vehicle that is registered for
11 highway purposes whereby the accessory allows power to be
12 transferred outside the transmission to a shaft or driveline
13 and the power is used for a purpose other than propelling the
14 motor vehicle.

15 (35 ILCS 505/1.28 new)

16 Sec. 1.28. "Semitrailer" means every vehicle without
17 motive power, other than a pole trailer, designed for
18 carrying persons or property and for being drawn by a motor
19 vehicle and so constructed that some part of its weight and
20 that of its load rests upon or is carried by another vehicle.

21 (35 ILCS 505/1.29 new)

22 Sec. 1.29. "Research and development" means basic and
23 applied research in the engineering, designing, development,
24 or testing of prototypes or new products. "Research and
25 development" does not include manufacturing quality control,
26 any product testing by consumers, market research, sales
27 promotion, sales service, or other non-technological
28 activities or technical services.

1 (35 ILCS 505/2b) (from Ch. 120, par. 418b)

2 Sec. 2b. In addition to the tax collection and reporting
3 responsibilities imposed elsewhere in this Act, a person who
4 is required to pay the tax imposed by Section 2a of this Act
5 shall pay the tax to the Department by return showing all
6 fuel purchased, acquired or received and sold, distributed or
7 used during the preceding calendar month including losses of
8 fuel as the result of evaporation or shrinkage due to
9 temperature variations, and such other reasonable information
10 as the Department may require. Losses of fuel as the result
11 of evaporation or shrinkage due to temperature variations may
12 not exceed 1% one-percent of the total gallons in storage at
13 the beginning of the month, plus the receipts of gallonage
14 during the month, minus the gallonage remaining in storage at
15 the end of the month. Any loss reported that is in excess of
16 this amount shall be subject to the tax imposed by Section 2a
17 of this Law. On and after July 1, 2001, for each 6-month
18 period January through June, net losses of fuel (for each
19 category of fuel that is required to be reported on a return)
20 as the result of evaporation or shrinkage due to temperature
21 variations may not exceed 1% of the total gallons in storage
22 at the beginning of each January, plus the receipts of
23 gallonage each January through June, minus the gallonage
24 remaining in storage at the end of each June. On and after
25 July 1, 2001, for each 6-month period July through December,
26 net losses of fuel (for each category of fuel that is
27 required to be reported on a return) as the result of
28 evaporation or shrinkage due to temperature variations may
29 not exceed 1% of the total gallons in storage at the
30 beginning of each July, plus the receipts of gallonage each
31 July through December, minus the gallonage remaining in
32 storage at the end of each December. Any net loss reported
33 that is in excess of this amount shall be subject to the tax
34 imposed by Section 2a of this Law. For purposes of this

1 Section, "net loss" means the number of gallons gained
2 through temperature variations minus the number of gallons
3 lost through temperature variations or evaporation for each
4 of the respective 6-month periods.

5 The return shall be prescribed by the Department and
6 shall be filed between the 1st and 20th days of each calendar
7 month. The Department may, in its discretion, combine the
8 returns filed under this Section, Section 5, and Section 5a
9 of this Act. The return must be accompanied by appropriate
10 computer-generated magnetic media supporting schedule data in
11 the format required by the Department, unless, as provided by
12 rule, the Department grants an exception upon petition of a
13 taxpayer. If the return is filed timely, the seller shall
14 take a discount of 2% which is allowed to reimburse the
15 seller for the expenses incurred in keeping records,
16 preparing and filing returns, collecting and remitting the
17 tax and supplying data to the Department on request. The 2%
18 discount, however, shall be applicable only to the amount of
19 payment which accompanies a return that is filed timely in
20 accordance with this Section.

21 (Source: P.A. 91-173, eff. 1-1-00.)

22 (35 ILCS 505/4e)

23 Sec. 4e. A legible and conspicuous notice stating "Dyed
24 Diesel Fuel, Non-taxable Use Only, Penalty For Taxable Use"
25 must appear on all ~~shipping--papers~~, bills of lading, and
26 invoices accompanying any sale of dyed diesel fuel.

27 (Source: P.A. 91-173, eff. 1-1-00.)

28 (35 ILCS 505/5) (from Ch. 120, par. 421)

29 Sec. 5. Except as hereinafter provided, a person holding
30 a valid unrevoked license to act as a distributor of motor
31 fuel shall, between the 1st and 20th days of each calendar
32 month, make return to the Department, showing an itemized

1 statement of the number of invoiced gallons of motor fuel of
2 the types specified in this Section which were purchased,
3 acquired or received during the preceding calendar month; the
4 amount of such motor fuel produced, refined, compounded,
5 manufactured, blended, sold, distributed, and used by the
6 licensed distributor during the preceding calendar month; the
7 amount of such motor fuel lost or destroyed during the
8 preceding calendar month; and the amount of such motor fuel
9 on hand at the close of business for such month; and such
10 other reasonable information as the Department may require.

11 If a distributor's only activities with respect to motor fuel
12 are either: (1) production of alcohol in quantities of less
13 than 10,000 proof gallons per year or (2) blending alcohol in
14 quantities of less than 10,000 proof gallons per year which
15 such distributor has produced, he shall file returns on an
16 annual basis with the return for a given year being due by
17 January 20 of the following year. Distributors whose total
18 production of alcohol (whether blended or not) exceeds 10,000
19 proof gallons per year, based on production during the
20 preceding (calendar) year or as reasonably projected by the
21 Department if one calendar year's record of production cannot
22 be established, shall file returns between the 1st and 20th
23 days of each calendar month as hereinabove provided.

24 The types of motor fuel referred to in the preceding
25 paragraph are: (A) All products commonly or commercially
26 known or sold as gasoline (including casing-head and
27 absorption or natural gasoline), gasohol, motor benzol or
28 motor benzene regardless of their classification or uses; and
29 (B) all combustible gases which exist in a gaseous state at
30 60 degrees Fahrenheit and at 14.7 pounds per square inch
31 absolute including, but not limited to, liquefied petroleum
32 gases used for highway purposes; and (C) special fuel. Only
33 those quantities of combustible gases (example (B) above)
34 which are used or sold by the distributor to be used to

1 propel motor vehicles on the public highways, ~~or--which--are~~
2 ~~delivered-into-the-bulk-storage-facilities-of-a-bulk-user,~~ or
3 which are delivered into a storage tank that is located at a
4 facility that has withdrawal facilities which are readily
5 accessible to and are capable of dispensing combustible gases
6 into the fuel supply tanks of motor vehicles, shall be
7 subject to return. For the purposes of this Act, liquefied
8 petroleum gases shall mean and include any material having a
9 vapor pressure not exceeding that allowed for commercial
10 propane composed predominantly of the following hydrocarbons,
11 either by themselves or as mixtures: Propane, Propylene,
12 Butane (normal butane or iso-butane) and Butylene (including
13 isomers).

14 In case of a sale of special fuel to someone other than a
15 licensed distributor, or a licensed supplier, for a use other
16 than in motor vehicles, the distributor shall show in his
17 return the amount of invoiced gallons sold and the name and
18 address of the purchaser in addition to any other information
19 the Department may require.

20 All special fuel sold or used for non-highway purposes
21 must have a dye added in accordance with Section 4d of this
22 Law.

23 In case of a tax-free sale, as provided in Section 6, of
24 motor fuel which the distributor is required by this Section
25 to include in his return to the Department, the distributor
26 in his return shall show: (1) If the sale is made to another
27 licensed distributor the amount sold and the name, address
28 and license number of the purchasing distributor; (2) if the
29 sale is made to a person where delivery is made outside of
30 this State the name and address of such purchaser and the
31 point of delivery together with the date and amount
32 delivered; (3) if the sale is made to the Federal Government
33 or its instrumentalities the amount sold; (4) if the sale is
34 made to a municipal corporation owning and operating a local

1 transportation system for public service in this State the
2 name and address of such purchaser, and the amount sold, as
3 evidenced by official forms of exemption certificates
4 properly executed and furnished by such purchaser; (5) if the
5 sale is made to a privately owned public utility owning and
6 operating 2-axle vehicles designed and used for transporting
7 more than 7 passengers, which vehicles are used as common
8 carriers in general transportation of passengers, are not
9 devoted to any specialized purpose and are operated entirely
10 within the territorial limits of a single municipality or of
11 any group of contiguous municipalities or in a close radius
12 thereof, and the operations of which are subject to the
13 regulations of the Illinois Commerce Commission, then the
14 name and address of such purchaser and the amount sold as
15 evidenced by official forms of exemption certificates
16 properly executed and furnished by the purchaser; (6) if the
17 product sold is special fuel and if the sale is made to a
18 licensed supplier under conditions which qualify the sale for
19 tax exemption under Section 6 of this Act, the amount sold
20 and the name, address and license number of the purchaser;
21 and (7) if a sale of special fuel is made to someone other
22 than a licensed distributor, or a licensed supplier, for a
23 use other than in motor vehicles, by making a specific
24 notation thereof on the invoice or sales slip covering such
25 sales and obtaining such supporting documentation as may be
26 required by the Department.

27 All special fuel sold or used for non-highway purposes
28 must have a dye added in accordance with Section 4d of this
29 Law.

30 A person whose license to act as a distributor of motor
31 fuel has been revoked shall make a return to the Department
32 covering the period from the date of the last return to the
33 date of the revocation of the license, which return shall be
34 delivered to the Department not later than 10 days from the

1 date of the revocation or termination of the license of such
2 distributor; the return shall in all other respects be
3 subject to the same provisions and conditions as returns by
4 distributors licensed under the provisions of this Act.

5 The records, waybills and supporting documents kept by
6 railroads and other common carriers in the regular course of
7 business shall be prima facie evidence of the contents and
8 receipt of cars or tanks covered by those records, waybills
9 or supporting documents.

10 If the Department has reason to believe and does believe
11 that the amount shown on the return as purchased, acquired,
12 received, sold, used, lost or destroyed is incorrect, or that
13 an amount of motor fuel of the types required by the second
14 paragraph of this Section to be reported to the Department
15 has not been correctly reported the Department shall fix an
16 amount for such receipt, sales, use, loss or destruction
17 according to its best judgment and information, which amount
18 so fixed by the Department shall be prima facie correct. All
19 returns shall be made on forms prepared and furnished by the
20 Department, and shall contain such other information as the
21 Department may reasonably require. The return must be
22 accompanied by appropriate computer-generated magnetic media
23 supporting schedule data in the format required by the
24 Department, unless, as provided by rule, the Department
25 grants an exception upon petition of a taxpayer. All licensed
26 distributors shall report all losses of motor fuel sustained
27 on account of fire, theft, spillage, spoilage, leakage, or
28 any other provable cause when filing the return for the
29 period during which the loss occurred. The mere making of the
30 report does not assure the allowance of the loss as a
31 reduction in tax liability. Losses of motor fuel as the
32 result of evaporation or shrinkage due to temperature
33 variations may not exceed 1% ~~one-percent~~ of the total gallons
34 in storage at the beginning of the month, plus the receipts

1 of gallonage during the month, minus the gallonage remaining
2 in storage at the end of the month. Any loss reported that
3 is in excess of 1% one-percent shall be subject to the tax
4 imposed by Section 2 of this Law. On and after July 1, 2001,
5 for each 6-month period January through June, net losses of
6 motor fuel (for each category of motor fuel that is required
7 to be reported on a return) as the result of evaporation or
8 shrinkage due to temperature variations may not exceed 1% of
9 the total gallons in storage at the beginning of each
10 January, plus the receipts of gallonage each January through
11 June, minus the gallonage remaining in storage at the end of
12 each June. On and after July 1, 2001, for each 6-month
13 period July through December, net losses of motor fuel (for
14 each category of motor fuel that is required to be reported
15 on a return) as the result of evaporation or shrinkage due to
16 temperature variations may not exceed 1% of the total gallons
17 in storage at the beginning of each July, plus the receipts
18 of gallonage each July through December, minus the gallonage
19 remaining in storage at the end of each December. Any net
20 loss reported that is in excess of this amount shall be
21 subject to the tax imposed by Section 2a of this Law. For
22 purposes of this Section, "net loss" means the number of
23 gallons gained through temperature variations minus the
24 number of gallons lost through temperature variations or
25 evaporation for each of the respective 6-month periods.

26 (Source: P.A. 91-173, eff. 1-1-00.)

27 (35 ILCS 505/5a) (from Ch. 120, par. 421a)

28 Sec. 5a. A person holding a valid unrevoked license to
29 act as a supplier of special fuel shall, between the 1st and
30 20th days of each calendar month, make return to the
31 Department showing an itemized statement of the number of
32 invoiced gallons of special fuel acquired, received,
33 purchased, sold, or used during the preceding calendar month;

1 the amount of special fuel sold, distributed, and used by the
2 licensed supplier during the preceding calendar month; the
3 amount of special fuel lost or destroyed during the preceding
4 calendar month; and the amount of special fuel on hand at the
5 close of business for the preceding calendar month; and such
6 other reasonable information as the Department may require.

7 A person whose license to act as a supplier of special
8 fuel has been revoked shall make a return to the Department
9 covering the period from the date of the last return to the
10 date of the revocation of the license, which return shall be
11 delivered to the Department not later than 10 days from the
12 date of the revocation or termination of the license of such
13 supplier. The return shall in all other respects be subject
14 to the same provisions and conditions as returns by suppliers
15 licensed under this Act.

16 The records, waybills and supporting documents kept by
17 railroads and other common carriers in the regular course of
18 business shall be prima facie evidence of the contents and
19 receipt of cars or tanks covered by those records, waybills
20 or supporting documents.

21 If the Department has reason to believe and does believe
22 that the amount shown on the return as purchased, acquired,
23 received, sold, used, or lost is incorrect, or that an amount
24 of special fuel of the type required by the 1st paragraph of
25 this Section to be reported to the Department by suppliers
26 has not been correctly reported as a purchase, receipt, sale,
27 use, or loss the Department shall fix an amount for such
28 purchase, receipt, sale, use, or loss according to its best
29 judgment and information, which amount so fixed by the
30 Department shall be prima facie correct. All licensed
31 suppliers shall report all losses of special fuel sustained
32 on account of fire, theft, spillage, spoilage, leakage, or
33 any other provable cause when filing the return for the
34 period during which the loss occurred. The mere making of

1 the report does not assure the allowance of the loss as a
2 reduction in tax liability. Losses of special fuel as the
3 result of evaporation or shrinkage due to temperature
4 variations may not exceed 1% one-percent of the total gallons
5 in storage at the beginning of the month, plus the receipts
6 of gallonage during the month, minus the gallonage remaining
7 in storage at the end of the month.

8 Any loss reported that is in excess of 1% one--percent
9 shall be subject to the tax imposed by Section 2 of this Law.
10 On and after July 1, 2001, for each 6-month period January
11 through June, net losses of special fuel (for each category
12 of special fuel that is required to be reported on a return)
13 as the result of evaporation or shrinkage due to temperature
14 variations may not exceed 1% of the total gallons in storage
15 at the beginning of each January, plus the receipts of
16 gallonage each January through June, minus the gallonage
17 remaining in storage at the end of each June. On and after
18 July 1, 2001, for each 6-month period July through December,
19 net losses of special fuel (for each category of special fuel
20 that is required to be reported on a return) as the result of
21 evaporation or shrinkage due to temperature variations may
22 not exceed 1% of the total gallons in storage at the
23 beginning of each July, plus the receipts of gallonage each
24 July through December, minus the gallonage remaining in
25 storage at the end of each December. Any net loss reported
26 that is in excess of this amount shall be subject to the tax
27 imposed by Section 2a of this Law. For purposes of this
28 Section, "net loss" means the number of gallons gained
29 through temperature variations minus the number of gallons
30 lost through temperature variations or evaporation for each
31 of the respective 6-month periods.

32 In case of a sale of special fuel to someone other than a
33 licensed distributor or licensed supplier for a use other
34 than in motor vehicles, the supplier shall show in his return

1 the amount of invoiced gallons sold and the name and address
2 of the purchaser in addition to any other information the
3 Department may require.

4 All special fuel sold or used for non-highway purposes
5 must have a dye added in accordance with Section 4d of this
6 Law.

7 All returns shall be made on forms prepared and furnished
8 by the Department and shall contain such other information as
9 the Department may reasonably require. The return must be
10 accompanied by appropriate computer-generated magnetic media
11 supporting schedule data in the format required by the
12 Department, unless, as provided by rule, the Department
13 grants an exception upon petition of a taxpayer.

14 In case of a tax-free sale, as provided in Section 6a, of
15 special fuel which the supplier is required by this Section
16 to include in his return to the Department, the supplier in
17 his return shall show: (1) If the sale of special fuel is
18 made to the Federal Government or its instrumentalities; (2)
19 if the sale of special fuel is made to a municipal
20 corporation owning and operating a local transportation
21 system for public service in this State, the name and address
22 of such purchaser and the amount sold, as evidenced by
23 official forms of exemption certificates properly executed
24 and furnished by such purchaser; (3) if the sale of special
25 fuel is made to a privately owned public utility owning and
26 operating 2-axle vehicles designed and used for transporting
27 more than 7 passengers, which vehicles are used as common
28 carriers in general transportation of passengers, are not
29 devoted to any specialized purpose and are operated entirely
30 within the territorial limits of a single municipality or of
31 any group of contiguous municipalities or in a close radius
32 thereof, and the operations of which are subject to the
33 regulations of the Illinois Commerce Commission, then the
34 name and address of such purchaser and the amount sold, as

1 evidenced by official forms of exemption certificates
2 properly executed and furnished by such purchaser; (4) if the
3 product sold is special fuel and if the sale is made to a
4 licensed supplier or to a licensed distributor under
5 conditions which qualify the sale for tax exemption under
6 Section 6a of this Act, the amount sold and the name, address
7 and license number of such purchaser; (5) if a sale of
8 special fuel is made to a person where delivery is made
9 outside of this State, the name and address of such purchaser
10 and the point of delivery together with the date and amount
11 of invoiced gallons delivered; and (6) if a sale of special
12 fuel is made to someone other than a licensed distributor or
13 a licensed supplier, for a use other than in motor vehicles,
14 by making a specific notation thereof on the invoice or sales
15 slip covering that sale and obtaining such supporting
16 documentation as may be required by the Department.

17 All special fuel sold or used for non-highway purposes
18 must have a dye added in accordance with Section 4d of this
19 Law.

20 (Source: P.A. 91-173, eff. 1-1-00.)

21 (35 ILCS 505/6a) (from Ch. 120, par. 422a)

22 Sec. 6a. Collection of tax; suppliers. A supplier, other
23 than a licensed distributor, who sells or distributes any
24 special fuel, which he is required by Section 5a to report to
25 the Department when filing a return, shall (except as
26 hereinafter provided) collect at the time of such sale and
27 distribution, the amount of tax imposed under this Act on all
28 such special fuel sold and distributed, and at the time of
29 making a return, the supplier shall pay to the Department the
30 amount so collected less a discount of 2% which is allowed
31 to reimburse the supplier for the expenses incurred in
32 keeping records, preparing and filing returns, collecting and
33 remitting the tax and supplying data to the Department on

1 request, and shall also pay to the Department an amount
2 equal to the amount that would be collectible as a tax in the
3 event of a sale thereof on all such special fuel used by said
4 supplier during the period covered by the return. However,
5 no payment shall be made based upon dyed diesel fuel used by
6 said supplier for non-highway purposes. The 2% discount shall
7 only be applicable to the amount of tax payment which
8 accompanies a return which is filed timely in accordance with
9 Section 5(a) of this Act. In each subsequent sale of special
10 fuel on which the amount of tax imposed under this Act has
11 been collected as provided in this Section, the amount so
12 collected shall be added to the selling price, so that the
13 amount of tax is paid ultimately by the user of the special
14 fuel. However, no collection or payment shall be made in the
15 case of the sale or use of any special fuel to the extent to
16 which such sale or use of motor fuel may not, under the
17 Constitution and statutes of the United States, be made the
18 subject of taxation by this State.

19 A person whose license to act as supplier of special fuel
20 has been revoked shall, at the time of making a return, also
21 pay to the Department an amount equal to the amount that
22 would be collectible as a tax in the event of a sale thereof
23 on all special fuel, which he is required by the 1st
24 paragraph of Section 5a to report to the Department in making
25 a return.

26 A supplier may make tax-free sales of special fuel, with
27 respect to which he is otherwise required to collect the tax,
28 when the motor fuel is delivered from a dispensing facility
29 that has withdrawal facilities capable of dispensing special
30 fuel into the fuel supply tanks of motor vehicles only as
31 specified in the following items 1, 2, and 3. A supplier may
32 make tax-free sales of special fuel, with respect to which he
33 is otherwise required to collect the tax, when the special
34 fuel is delivered from other facilities only as specified in

1 the following items 1 through 7.

2 1. When the sale is made to the federal government
3 or its instrumentalities.

4 2. When the sale is made to a municipal corporation
5 owning and operating a local transportation system for
6 public service in this State when an official certificate
7 of exemption is obtained in lieu of the tax.

8 3. When the sale is made to a privately owned
9 public utility owning and operating 2 axle vehicles
10 designed and used for transporting more than 7
11 passengers, which vehicles are used as common carriers in
12 general transportation of passengers, are not devoted to
13 any specialized purpose and are operated entirely within
14 the territorial limits of a single municipality or of any
15 group of contiguous municipalities, or in a close radius
16 thereof, and the operations of which are subject to the
17 regulations of the Illinois Commerce Commission, when an
18 official certificate of exemption is obtained in lieu of
19 the tax.

20 4. When a sale of special fuel is made to a person
21 holding a valid unrevoked license as a supplier or a
22 distributor by making a specific notation thereof on
23 invoice or sales slip covering each such sale.

24 5. When a sale of special fuel is made to someone
25 other than a licensed distributor ~~or~~ licensed supplier,
26 ~~or-licensed-bulk-user~~ for a use other than in motor
27 vehicles, by making a specific notation thereof on the
28 invoice or sales slip covering such sale and obtaining
29 such supporting documentation as may be required by the
30 Department. The supplier shall obtain and keep the
31 supporting documentation in such form as the Department
32 may require by rule.

33 6. (Blank).

34 7. When a sale of special fuel is made to a person

1 where delivery is made outside of this State.

2 All special fuel sold or used for non-highway purposes
3 must have a dye added in accordance with Section 4d of this
4 Law.

5 All suits or other proceedings brought for the purpose of
6 recovering any taxes, interest or penalties due the State of
7 Illinois under this Act may be maintained in the name of the
8 Department.

9 (Source: P.A. 91-173, eff. 1-1-00.)

10 (35 ILCS 505/8) (from Ch. 120, par. 424)

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

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

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

27 (c) \$2,250,000 shall be transferred each month to the
28 Grade Crossing Protection Fund to be used as follows: not
29 less than \$6,000,000 each fiscal year shall be used for the
30 construction or reconstruction of rail highway grade
31 separation structures; beginning with fiscal year 1997 and
32 ending in fiscal year 2000, \$1,500,000, beginning with fiscal
33 year 2001 and ending in fiscal year 2003, \$2,250,000, and

1 \$750,000 in fiscal year 2004 and each fiscal year thereafter
2 shall be transferred to the Transportation Regulatory Fund
3 and shall be accounted for as part of the rail carrier
4 portion of such funds and shall be used to pay the cost of
5 administration of the Illinois Commerce Commission's railroad
6 safety program in connection with its duties under subsection
7 (3) of Section 18c-7401 of the Illinois Vehicle Code, with
8 the remainder to be used by the Department of Transportation
9 upon order of the Illinois Commerce Commission, to pay that
10 part of the cost apportioned by such Commission to the State
11 to cover the interest of the public in the use of highways,
12 roads, streets, or pedestrian walkways in the county highway
13 system, township and district road system, or municipal
14 street system as defined in the Illinois Highway Code, as the
15 same may from time to time be amended, for separation of
16 grades, for installation, construction or reconstruction of
17 crossing protection or reconstruction, alteration, relocation
18 including construction or improvement of any existing highway
19 necessary for access to property or improvement of any grade
20 crossing including the necessary highway approaches thereto
21 of any railroad across the highway or public road, or for the
22 installation, construction, reconstruction, or maintenance of
23 a pedestrian walkway over or under a railroad right-of-way,
24 as provided for in and in accordance with Section 18c-7401 of
25 the Illinois Vehicle Code. The Commission shall not order
26 more than \$2,000,000 per year in Grade Crossing Protection
27 Fund moneys for pedestrian walkways. In entering orders for
28 projects for which payments from the Grade Crossing
29 Protection Fund will be made, the Commission shall account
30 for expenditures authorized by the orders on a cash rather
31 than an accrual basis. For purposes of this requirement an
32 "accrual basis" assumes that the total cost of the project is
33 expended in the fiscal year in which the order is entered,
34 while a "cash basis" allocates the cost of the project among

1 fiscal years as expenditures are actually made. To meet the
 2 requirements of this subsection, the Illinois Commerce
 3 Commission shall develop annual and 5-year project plans of
 4 rail crossing capital improvements that will be paid for with
 5 moneys from the Grade Crossing Protection Fund. The annual
 6 project plan shall identify projects for the succeeding
 7 fiscal year and the 5-year project plan shall identify
 8 projects for the 5 directly succeeding fiscal years. The
 9 Commission shall submit the annual and 5-year project plans
 10 for this Fund to the Governor, the President of the Senate,
 11 the Senate Minority Leader, the Speaker of the House of
 12 Representatives, and the Minority Leader of the House of
 13 Representatives on the first Wednesday in April of each year;

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

17 (1) the costs of the Department of Revenue in
 18 administering this Act;

19 (2) the costs of the Department of Transportation
 20 in performing its duties imposed by the Illinois Highway
 21 Code for supervising the use of motor fuel tax funds
 22 apportioned to municipalities, counties and road
 23 districts;

24 (3) refunds provided for in Section 13 of this Act
 25 and under the terms of the International Fuel Tax
 26 Agreement referenced in Section 14a;

27 (4) from October 1, 1985 until June 30, 1994, the
 28 administration of the Vehicle Emissions Inspection Law,
 29 which amount shall be certified monthly by the
 30 Environmental Protection Agency to the State Comptroller
 31 and shall promptly be transferred by the State
 32 Comptroller and Treasurer from the Motor Fuel Tax Fund to
 33 the Vehicle Inspection Fund, and for the period July 1,
 34 1994 through June 30, 2000, ~~June-30-2006~~, one-twelfth of

1 \$25,000,000 each month, and for the period July 1, 2000
2 through June 30, 2006, one-twelfth of \$30,000,000 each
3 month, for the administration of the Vehicle Emissions
4 Inspection Law of 1995, to be transferred by the State
5 Comptroller and Treasurer from the Motor Fuel Tax Fund
6 into the Vehicle Inspection Fund;

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

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

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

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

21 (A) 37% into the State Construction Account
22 Fund, and

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

28 (2) Until January 1, 2000, 41.6%, and beginning
29 January 1, 2000, 54.4% shall be transferred to the
30 Department of Transportation to be distributed as
31 follows:

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

33 (B) 16.74% to the counties of the State having
34 1,000,000 or more inhabitants,

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

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

4 As soon as may be after the first day of each month the
5 Department of Transportation shall allot to each municipality
6 its share of the amount apportioned to the several
7 municipalities which shall be in proportion to the population
8 of such municipalities as determined by the last preceding
9 municipal census if conducted by the Federal Government or
10 Federal census. If territory is annexed to any municipality
11 subsequent to the time of the last preceding census the
12 corporate authorities of such municipality may cause a census
13 to be taken of such annexed territory and the population so
14 ascertained for such territory shall be added to the
15 population of the municipality as determined by the last
16 preceding census for the purpose of determining the allotment
17 for that municipality. If the population of any municipality
18 was not determined by the last Federal census preceding any
19 apportionment, the apportionment to such municipality shall
20 be in accordance with any census taken by such municipality.
21 Any municipal census used in accordance with this Section
22 shall be certified to the Department of Transportation by the
23 clerk of such municipality, and the accuracy thereof shall be
24 subject to approval of the Department which may make such
25 corrections as it ascertains to be necessary.

26 As soon as may be after the first day of each month the
27 Department of Transportation shall allot to each county its
28 share of the amount apportioned to the several counties of
29 the State as herein provided. Each allotment to the several
30 counties having less than 1,000,000 inhabitants shall be in
31 proportion to the amount of motor vehicle license fees
32 received from the residents of such counties, respectively,
33 during the preceding calendar year. The Secretary of State
34 shall, on or before April 15 of each year, transmit to the

1 Department of Transportation a full and complete report
2 showing the amount of motor vehicle license fees received
3 from the residents of each county, respectively, during the
4 preceding calendar year. The Department of Transportation
5 shall, each month, use for allotment purposes the last such
6 report received from the Secretary of State.

7 As soon as may be after the first day of each month, the
8 Department of Transportation shall allot to the several
9 counties their share of the amount apportioned for the use of
10 road districts. The allotment shall be apportioned among the
11 several counties in the State in the proportion which the
12 total mileage of township or district roads in the respective
13 counties bears to the total mileage of all township and
14 district roads in the State. Funds allotted to the respective
15 counties for the use of road districts therein shall be
16 allocated to the several road districts in the county in the
17 proportion which the total mileage of such township or
18 district roads in the respective road districts bears to the
19 total mileage of all such township or district roads in the
20 county. After July 1 of any year, no allocation shall be
21 made for any road district unless it levied a tax for road
22 and bridge purposes in an amount which will require the
23 extension of such tax against the taxable property in any
24 such road district at a rate of not less than either .08% of
25 the value thereof, based upon the assessment for the year
26 immediately prior to the year in which such tax was levied
27 and as equalized by the Department of Revenue or, in DuPage
28 County, an amount equal to or greater than \$12,000 per mile
29 of road under the jurisdiction of the road district,
30 whichever is less. If any road district has levied a special
31 tax for road purposes pursuant to Sections 6-601, 6-602 and
32 6-603 of the Illinois Highway Code, and such tax was levied
33 in an amount which would require extension at a rate of not
34 less than .08% of the value of the taxable property thereof,

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

17 In counties in which a property tax extension limitation
18 is imposed under the Property Tax Extension Limitation Law,
19 road districts may retain their entitlement to a motor fuel
20 tax allotment if, at the time the property tax extension
21 limitation was imposed, the road district was levying a road
22 and bridge tax at a rate sufficient to entitle it to a motor
23 fuel tax allotment and continues to levy the maximum
24 allowable amount after the imposition of the property tax
25 extension limitation. Any road district may in all
26 circumstances retain its entitlement to a motor fuel tax
27 allotment if it levied a road and bridge tax in an amount
28 that will require the extension of the tax against the
29 taxable property in the road district at a rate of not less
30 than 0.08% of the assessed value of the property, based upon
31 the assessment for the year immediately preceding the year in
32 which the tax was levied and as equalized by the Department
33 of Revenue or, in DuPage County, an amount equal to or
34 greater than \$12,000 per mile of road under the jurisdiction

1 of the road district, whichever is less.

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

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

22 (Source: P.A. 90-110, eff. 7-14-97; 90-655, eff. 7-30-98;
23 90-659, eff. 1-1-99; 90-691, eff. 1-1-99; 91-37, eff. 7-1-99;
24 91-59, eff. 6-30-99; 91-173, eff. 1-1-00; 91-357, eff.
25 7-29-99; 91-704, eff. 7-1-00; 91-725, eff. 6-2-00; 91-794,
26 eff. 6-9-00; revised 6-28-00.)

27 (35 ILCS 505/13) (from Ch. 120, par. 429)

28 Sec. 13. Refund of tax paid. Any person other than a
29 distributor or supplier, who loses motor fuel through any
30 cause or uses motor fuel (upon which he has paid the amount
31 required to be collected under Section 2 of this Act) for any
32 purpose other than operating a motor vehicle upon the public
33 highways or waters, shall be reimbursed and repaid the amount

1 so paid.

2 Any person who purchases motor fuel in Illinois and uses
3 that motor fuel in another state and that other state imposes
4 a tax on the use of such motor fuel shall be reimbursed and
5 repaid the amount of Illinois tax paid under Section 2 of
6 this Act on the motor fuel used in such other state.
7 Reimbursement and repayment shall be made by the Department
8 upon receipt of adequate proof of taxes paid to another state
9 and the amount of motor fuel used in that state.

10 Claims for such reimbursement must be made to the
11 Department of Revenue, duly verified by the claimant (or by
12 the claimant's legal representative if the claimant has died
13 or become a person under legal disability), upon forms
14 prescribed by the Department. The claim must state such
15 facts relating to the purchase, importation, manufacture or
16 production of the motor fuel by the claimant as the
17 Department may deem necessary, and the time when, and the
18 circumstances of its loss or the specific purpose for which
19 it was used (as the case may be), together with such other
20 information as the Department may reasonably require. No
21 claim based upon idle time shall be allowed.

22 Claims for full reimbursement for taxes paid on or before
23 December 31, 1999 must be filed not later than one year after
24 the date on which the tax was paid by the claimant. If,
25 however, a claim for such reimbursement otherwise meeting the
26 requirements of this Section is filed more than one year but
27 less than 2 years after that date, the claimant shall be
28 reimbursed at the rate of 80% of the amount to which he would
29 have been entitled if his claim had been timely filed.

30 Claims for full reimbursement for taxes paid on or after
31 January 1, 2000 must be filed not later than 2 years after
32 the date on which the tax was paid by the claimant.

33 The Department may make such investigation of the
34 correctness of the facts stated in such claims as it deems

1 necessary. When the Department has approved any such claim,
2 it shall pay to the claimant (or to the claimant's legal
3 representative, as such if the claimant has died or become a
4 person under legal disability) the reimbursement provided in
5 this Section, out of any moneys appropriated to it for that
6 purpose.

7 Any distributor or supplier who has paid the tax imposed
8 by Section 2 of this Act upon motor fuel lost or used by such
9 distributor or supplier for any purpose other than operating
10 a motor vehicle upon the public highways or waters may file a
11 claim for credit or refund to recover the amount so paid.
12 Such claims shall be filed on forms prescribed by the
13 Department. Such claims shall be made to the Department,
14 duly verified by the claimant (or by the claimant's legal
15 representative if the claimant has died or become a person
16 under legal disability), upon forms prescribed by the
17 Department. The claim shall state such facts relating to the
18 purchase, importation, manufacture or production of the motor
19 fuel by the claimant as the Department may deem necessary and
20 the time when the loss or nontaxable use occurred, and the
21 circumstances of its loss or the specific purpose for which
22 it was used (as the case may be), together with such other
23 information as the Department may reasonably require. Claims
24 must be filed not later than one year after the date on which
25 the tax was paid by the claimant.

26 The Department may make such investigation of the
27 correctness of the facts stated in such claims as it deems
28 necessary. When the Department approves a claim, the
29 Department shall issue a refund or credit memorandum as
30 requested by the taxpayer, to the distributor or supplier who
31 made the payment for which the refund or credit is being
32 given or, if the distributor or supplier has died or become
33 incompetent, to such distributor's or supplier's legal
34 representative, as such. The amount of such credit

1 memorandum shall be credited against any tax due or to become
2 due under this Act from the distributor or supplier who made
3 the payment for which credit has been given.

4 Any credit or refund that is allowed under this Section
5 shall bear interest at the rate and in the manner specified
6 in the Uniform Penalty and Interest Act.

7 In case the distributor or supplier requests and the
8 Department determines that the claimant is entitled to a
9 refund, such refund shall be made only from such
10 appropriation as may be available for that purpose. If it
11 appears unlikely that the amount appropriated would permit
12 everyone having a claim allowed during the period covered by
13 such appropriation to elect to receive a cash refund, the
14 Department, by rule or regulation, shall provide for the
15 payment of refunds in hardship cases and shall define what
16 types of cases qualify as hardship cases.

17 In any case in which there has been an erroneous refund
18 of tax payable under this Section, a notice of tax liability
19 may be issued at any time within 3 years from the making of
20 that refund, or within 5 years from the making of that refund
21 if it appears that any part of the refund was induced by
22 fraud or the misrepresentation of material fact. The amount
23 of any proposed assessment set forth by the Department shall
24 be limited to the amount of the erroneous refund.

25 If no tax is due and no proceeding is pending to
26 determine whether such distributor or supplier is indebted to
27 the Department for tax, the credit memorandum so issued may
28 be assigned and set over by the lawful holder thereof,
29 subject to reasonable rules of the Department, to any other
30 licensed distributor or supplier who is subject to this Act,
31 and the amount thereof applied by the Department against any
32 tax due or to become due under this Act from such assignee.

33 If the payment for which the distributor's or supplier's
34 claim is filed is held in the protest fund of the State

1 Treasury during the pendency of the claim for credit
2 proceedings pursuant to the order of the court in accordance
3 with Section 2a of the State Officers and Employees Money
4 Disposition Act and if it is determined by the Department or
5 by the final order of a reviewing court under the
6 Administrative Review Law that the claimant is entitled to
7 all or a part of the credit claimed, the claimant, instead of
8 receiving a credit memorandum from the Department, shall
9 receive a cash refund from the protest fund as provided for
10 in Section 2a of the State Officers and Employees Money
11 Disposition Act.

12 If any person ceases to be licensed as a distributor or
13 supplier while still holding an unused credit memorandum
14 issued under this Act, such person may, at his election
15 (instead of assigning the credit memorandum to a licensed
16 distributor or licensed supplier under this Act), surrender
17 such unused credit memorandum to the Department and receive a
18 refund of the amount to which such person is entitled.

19 For claims based upon taxes paid on or before December
20 31, 2000, a no claim based upon the use of undyed diesel fuel
21 shall not be allowed except (i) if allowed under the
22 following paragraph or (ii) for undyed diesel fuel used by a
23 commercial vehicle, as that term is defined in Section
24 1-111.8 of the Illinois Vehicle Code, for any purpose other
25 than operating the commercial vehicle upon the public
26 highways and unlicensed commercial vehicles operating on
27 private property. Claims shall be limited to commercial
28 vehicles that are operated for both highway purposes and any
29 purposes other than operating such vehicles upon the public
30 highways.

31 For claims based upon taxes paid on or after January 1,
32 2000, a claim based upon the use of undyed diesel fuel shall
33 not be allowed except (i) if allowed under the preceding
34 paragraph or (ii) for claims for the following:

1 (1) Undyed diesel fuel used (i) in a manufacturing
2 process, as defined in Section 2-45 of the Retailers'
3 Occupation Tax Act, wherein the undyed diesel fuel
4 becomes a component part of a product or byproduct, other
5 than fuel or motor fuel, when the use of dyed diesel fuel
6 in that manufacturing process results in a product that
7 is unsuitable for its intended use or (ii) for testing
8 machinery and equipment in a manufacturing process, as
9 defined in Section 2-45 of the Retailers' Occupation Tax
10 Act, wherein the testing takes place on private property.

11 (2) Undyed diesel fuel used by a manufacturer on
12 private property in the research and development, as
13 defined in Section 1.29, of machinery or equipment
14 intended for manufacture.

15 (3) Undyed diesel fuel used by a single unit
16 self-propelled agricultural fertilizer implement,
17 designed for on and off road use, equipped with flotation
18 tires and specially adapted for the application of plant
19 food materials or agricultural chemicals.

20 (4) Undyed diesel fuel used by a commercial motor
21 vehicle for any purpose other than operating the
22 commercial motor vehicle upon the public highways.
23 Claims shall be limited to commercial motor vehicles that
24 are operated for both highway purposes and any purposes
25 other than operating such vehicles upon the public
26 highways.

27 (5) Undyed diesel fuel used by a unit of local
28 government in its operation of an airport if the undyed
29 diesel fuel is used directly in airport operations on
30 airport property.

31 (6) Undyed diesel fuel used by refrigeration units
32 that are permanently mounted to a semitrailer, as defined
33 in Section 1.28 of this Law, wherein the refrigeration
34 units have a fuel supply system dedicated solely for the

1 operation of the refrigeration units.

2 (7) Undyed diesel fuel used by power take-off
3 equipment as defined in Section 1.27 of this Law.

4 Any person who has paid the tax imposed by Section 2 of
5 this Law upon undyed diesel fuel that is unintentionally
6 mixed with dyed diesel fuel and who owns or controls the
7 mixture of undyed diesel fuel and dyed diesel fuel may file a
8 claim for refund to recover the amount paid. The amount of
9 undyed diesel fuel unintentionally mixed must equal 500
10 gallons or more. Any claim for refund of unintentionally
11 mixed undyed diesel fuel and dyed diesel fuel shall be
12 supported by documentation showing the date and location of
13 the unintentional mixing, the number of gallons involved, the
14 disposition of the mixed diesel fuel, and any other
15 information that the Department may reasonably require. Any
16 unintentional mixture of undyed diesel fuel and dyed diesel
17 fuel shall be sold or used only for non-highway purposes.

18 The Department shall promulgate regulations establishing
19 specific limits on the amount of undyed diesel fuel that may
20 be claimed for refund.

21 For purposes of claims for refund, "loss" means the
22 reduction of motor fuel resulting from fire, theft, spillage,
23 spoilage, leakage, or any other provable cause, but does not
24 include a reduction resulting from evaporation or shrinkage
25 due to temperature variations.

26 (Source: P.A. 90-491, eff. 1-1-98; 91-173, eff. 1-1-00.)

27 (35 ILCS 505/13a.6) (from Ch. 120, par. 429a6)

28 Sec. 13a.6. In addition to any other penalties imposed
29 by this Act:

30 (a) If a commercial motor vehicle is found operating in
31 Illinois (i) without displaying decals required by Section
32 13a.4 of this Act, or in lieu thereof only for the period
33 specified on the temporary permit, a valid 30-day

1 International Fuel Tax Agreement temporary permit, (ii)
2 without carrying a motor fuel use tax license as required by
3 Section 13a.4 of this Act, (iii) without carrying a single
4 trip permit, when applicable, as provided in Section 13a.5 of
5 this Act, or (iv) with a revoked motor fuel use tax license,
6 the operator is guilty of a petty offense and must pay a
7 minimum of \$75. For each subsequent occurrence, the operator
8 must pay a minimum of \$150.

9 When a commercial motor vehicle is found operating in
10 Illinois with a revoked motor fuel use tax license, the
11 vehicle shall be placed out of service and not allowed to
12 operate in Illinois until the motor fuel use tax license is
13 reinstated.

14 (b) If a commercial motor vehicle is found to be
15 operating in Illinois without a valid motor fuel use tax
16 license and without properly displaying decals required by
17 Section 13a.4 or without a valid single trip permit when
18 required by Section 13a.5 of this Act or a valid 30-day
19 International Fuel Tax Agreement temporary permit, the person
20 required to obtain a license or permit under Section 13a.4 or
21 13a.5 of this Law must pay a minimum of \$1,000 as a penalty.
22 For each subsequent occurrence, the person must pay a minimum
23 of \$2,000 as a penalty.

24 All penalties received under this Section shall be
25 deposited into the Tax Compliance and Administration Fund.

26 Improper use of the motor fuel use tax license, single
27 trip permit, or decals provided for in this Section may be
28 cause for revocation of the license.

29 For purposes of this Section, "motor fuel use tax
30 license" means (i) a motor fuel use tax license issued by the
31 Department or by any member jurisdiction under the
32 International Fuel Tax Agreement, or (ii) a valid 30-day
33 International Fuel Tax Agreement temporary permit.

34 (Source: P.A. 91-173, eff. 1-1-00.)

1 (35 ILCS 505/15) (from Ch. 120, par. 431)

2 Sec. 15. 1. Any person who knowingly acts as a
3 distributor of motor fuel or supplier of special fuel, or
4 receiver of fuel without having a license so to do, or who
5 knowingly fails or refuses to file a return with the
6 Department as provided in Section 2b, Section 5, or Section
7 5a of this Act, or who knowingly fails or refuses to make
8 payment to the Department as provided either in Section 2b,
9 Section 6, Section 6a, or Section 7 of this Act, shall be
10 guilty of a Class 3 felony. Each day any person knowingly
11 acts as a distributor of motor fuel, supplier of special
12 fuel, or receiver of fuel without having a license so to do
13 or after such a license has been revoked, constitutes a
14 separate offense.

15 2. Any person who acts as a motor carrier without having
16 a valid motor fuel use tax license, issued by the Department
17 or by a member jurisdiction under the provisions of the
18 International Fuel Tax Agreement, or a valid single trip
19 permit is guilty of a Class A misdemeanor for a first offense
20 and is guilty of a Class 4 felony for each subsequent
21 offense. Any person (i) who fails or refuses to make payment
22 to the Department as provided in Section 13a.1 of this Act or
23 in the International Fuel Tax Agreement referenced in Section
24 14a, or (ii) who fails or refuses to make the quarterly
25 return as provided in Section 13a.3 is guilty of a Class 4
26 felony; and for each subsequent offense, such person is
27 guilty of a Class 3 felony.

28 3. In case such person acting as a distributor,
29 receiver, supplier, or motor carrier is a corporation, then
30 the officer or officers, agent or agents, employee or
31 employees, of such corporation responsible for any act of
32 such corporation, or failure of such corporation to act,
33 which acts or failure to act constitutes a violation of any
34 of the provisions of this Act as enumerated in paragraphs 1

1 and 2 of this Section, shall be punished by such fine or
2 imprisonment, or by both such fine and imprisonment as
3 provided in those paragraphs.

4 3.5. Any person who knowingly enters false information
5 on any supporting documentation required to be kept by
6 Section 6 or 6a of this Act is guilty of a Class 3 felony.

7 3.7. Any person who knowingly attempts in any manner to
8 evade or defeat any tax imposed by this Act or the payment of
9 any tax imposed by this Act is guilty of a Class 2 felony.

10 4. Any person who refuses, upon demand, to submit for
11 inspection, books and records, or who fails or refuses to
12 keep books and records in violation of Section 12 of this
13 Act, or any distributor, receiver, or supplier who violates
14 any reasonable rule or regulation adopted by the Department
15 for the enforcement of this Act is guilty of a Class A
16 misdemeanor. Any person who acts as a blender in violation
17 of Section 3 of this Act or who having transported reportable
18 motor fuel within Section 7b of this Act fails to make the
19 return required by that Section, is guilty of a Class 4
20 felony.

21 5. Any person licensed under Section 13a.4, 13a.5, or
22 the International Fuel Tax Agreement who: (a) fails or
23 refuses to keep records and books, as provided in Section
24 13a.2 or as required by the terms of the International Fuel
25 Tax Agreement, (b) refuses upon demand by the Department to
26 submit for inspection and examination the records required by
27 Section 13a.2 of this Act or by the terms of the
28 International Meter Fuel Tax Agreement, or (c) violates any
29 reasonable rule or regulation adopted by the Department for
30 the enforcement of this Act, is guilty of a Class A
31 misdemeanor.

32 6. Any person who makes any false return or report to
33 the Department as to any material fact required by Sections
34 2b, 5, 5a, 7, 13, or 13a.3 of this Act or by the

1 International Fuel Tax Agreement is guilty of a Class 2
2 felony.

3 7. A prosecution for any violation of this Section may
4 be commenced anytime within 5 years of the commission of that
5 violation. A prosecution for tax evasion as set forth in
6 paragraph 3.7 of this Section may be prosecuted any time
7 within 5 years of the commission of the last act in
8 furtherance of evasion. The running of the period of
9 limitations under this Section shall be suspended while any
10 proceeding or appeal from any proceeding relating to the
11 quashing or enforcement of any grand jury or administrative
12 subpoena issued in connection with an investigation of the
13 violation of any provision of this Act is pending.

14 8. Any person who provides false documentation required
15 by any Section of this Act is guilty of a Class 4 felony.

16 9. Any person filing a fraudulent application or order
17 form under any provision of this Act is guilty of a Class A
18 misdemeanor. For each subsequent offense, the person is
19 guilty of a Class 4 felony.

20 10. Any person who acts as a motor carrier and who fails
21 to carry a manifest as provided in Section 5.5 is guilty of a
22 Class A misdemeanor. For each subsequent offense, the person
23 is guilty of a Class 4 felony.

24 11. Any person who knowingly sells or attempts to sell
25 dyed diesel fuel for highway use is guilty of a Class 4
26 felony. For each subsequent offense, the person is guilty of
27 a Class 2 felony.

28 12. Any person who knowingly possesses dyed diesel fuel
29 for highway use is guilty of a Class A misdemeanor. For each
30 subsequent offense, the person is guilty of a Class 4 felony.

31 13. Any person who sells or transports dyed diesel fuel
32 without the notice required by Section 4e shall pay the
33 following penalty:

34 First occurrence.....\$ 500

1 Second and each occurrence thereafter.....\$1,000

2 14. Any person who owns, operates, or controls any
3 container, storage tank, or facility used to store or
4 distribute dyed diesel fuel without the notice required by
5 Section 4f shall pay the following penalty:

6 First occurrence.....\$ 500

7 Second and each occurrence thereafter.....\$1,000

8 15. If a licensed motor vehicle required to be
9 registered for highway purposes is found to have dyed diesel
10 fuel within the ordinary fuel tanks attached to the motor
11 vehicle, the operator shall pay the following penalty:

12 First occurrence.....\$2,500

13 Second and each occurrence thereafter.....\$5,000

14 16. Any licensed motor fuel distributor or licensed
15 supplier who sells or attempts to sell dyed diesel fuel for
16 highway use shall pay the following penalty:

17 First occurrence.....\$ 5,000

18 Second and each occurrence thereafter.....\$10,000

19 17. Any person who knowingly sells or distributes
20 transports dyed diesel fuel without the notice required by
21 Section 4e is guilty of a petty offense. For each subsequent
22 offense, the person is guilty of a Class A misdemeanor.

23 18. Any person who knowingly owns, operates, or controls
24 any container, storage tank, or facility used to store or
25 distribute dyed diesel fuel without the notice required by
26 Section 4f is guilty of a petty offense. For each subsequent
27 offense the person is guilty of a Class A misdemeanor.

28 For purposes of this Section, dyed diesel fuel means any
29 dyed diesel fuel whether or not dyed pursuant to Section 4d
30 of this Law.

31 Any person aggrieved by any action of the Department
32 under item 13, 14, 15, or 16 of this Section may protest the
33 action by making a written request for a hearing within 60
34 days of the original action. If the hearing is not requested

1 in writing within 60 days, the original action is final.

2 All penalties received under items 13, 14, 15, and 16 of
3 this Section shall be deposited into the Tax Compliance and
4 Administration Fund.

5 (Source: P.A. 91-173, eff. 1-1-00.)

6 Section 99. Effective date. This Act takes effect July
7 1, 2001.

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7	35 ILCS 505/4e	
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