

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 with respect to motor fuel, as defined in Section 1.1 of the
9 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40
10 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

11 With respect to gasohol, the tax imposed by this Act
12 applies to (i) 70% of the proceeds of sales made on or after
13 January 1, 1990, and before January 1, 2002, (ii) 75% of the
14 proceeds of sales made on or after January 1, 2002 and
15 through December 31, 2005, (iii) 80% of the proceeds of sales
16 made on or after January 1, 2006 and through December 31,
17 2010 July-1,-2003, and (iv) to 100% of the proceeds of sales
18 made thereafter.

19 With respect to E85 blend fuel, the tax imposed by this
20 Act does not apply to the proceeds of sales made on or after
21 January 1, 2002 and through December 31, 2010 but applies to
22 100% of the proceeds of sales made thereafter.

23 With respect to bio-diesel blend fuel with no more than
24 10% fuel made from biomass material, the tax imposed by this
25 Act applies to (i) 75% of the proceeds of sales made on or
26 after January 1, 2002 and through December 31, 2005, (ii) 80%
27 of the proceeds of sales made on or after January 1, 2006 and
28 through December 31, 2010, and (iii) 100% of the proceeds of
29 sales made thereafter.

30 With respect to bio-diesel blend fuel with more than 10%
31 fuel made from biomass material, the tax imposed by this Act
32 applies to (i) 50% of the proceeds of sales made on or after
33 January 1, 2002 and through December 31, 2005, (ii) 60% of
34 the proceeds of sales made on or after January 1, 2006 and

1 through December 31, 2010, and (iii) 100% of the proceeds of
2 sales made thereafter.

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

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

29 If the property that is purchased at retail from a
30 retailer is acquired outside Illinois and used outside
31 Illinois before being brought to Illinois for use here and is
32 taxable under this Act, the "selling price" on which the tax
33 is computed shall be reduced by an amount that represents a
34 reasonable allowance for depreciation for the period of prior

1 out-of-state use.

2 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
3 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

4 (35 ILCS 105/3-41 new)

5 Sec. 3-41. Bio-diesel blend. "Bio-diesel blend" means
6 diesel fuel blended with no less than 0.5% and no more than
7 20% fuel made from biomass material. "Diesel fuel" means any
8 petroleum product intended for use or offered for sale as a
9 fuel for engines in which the fuel is injected into the
10 combustion chamber and ignited by pressure without electric
11 spark. "Biomass material" includes, but is not limited to,
12 soybean oil, other vegetable oils, and denatured ethanol.

13 (35 ILCS 105/3-42 new)

14 Sec. 3-42. E85 blend fuel. "E85 blend fuel" means
15 motor fuel that contains at least 70% denatured ethanol and
16 no more than 30% gasoline. "Gasoline" means all products
17 commonly or commercially known or sold as gasoline (including
18 casing head and absorption or natural gasoline).

19 Section 10. 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 with respect to motor fuel, as defined in Section 1.1 of the

1 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40
2 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

3 With respect to gasohol, as defined in the Use Tax Act,
4 the tax imposed by this Act applies to (i) 70% of the selling
5 price of property transferred as an incident to the sale of
6 service on or after January 1, 1990, and before January 1,
7 2002, (ii) 75% of the selling price of property transferred
8 as an incident to the sale of service on or after January 1,
9 2002 and through December 31, 2005, (iii) 80% of the selling
10 price of property transferred as an incident to the sale of
11 service on or after January 1, 2006 and through December 31,
12 2010 July--17--2003, and (iv) ~~to~~ 100% of the selling price
13 thereafter.

14 With respect to E85 blend fuel, as defined in the Use Tax
15 Act, the tax imposed by this Act does not apply to the
16 selling price of property transferred as an incident to the
17 sale of service on or after January 1, 2002 and through
18 December 31, 2010 but applies to 100% of the selling price
19 thereafter.

20 With respect to bio-diesel blend fuel, as defined in the
21 Use Tax Act, with no more than 10% fuel made from biomass
22 material, the tax imposed by this Act applies to (i) 75% of
23 the selling price of property transferred as an incident to
24 the sale of service on or after January 1, 2002 and through
25 December 31, 2005, (ii) 80% of the proceeds of the selling
26 price of property transferred as an incident to the sale of
27 service on or after January 1, 2006 and through December 31,
28 2010, and (iii) 100% of the proceeds of the selling price
29 thereafter.

30 With respect to bio-diesel blend fuel, as defined in the
31 Use Tax Act, with more than 10% fuel made from biomass
32 material, the tax imposed by this Act applies to (i) 50% of
33 the proceeds of the selling price of property transferred as
34 an incident to the sale of service on or after January 1,

1 2002 and through December 31, 2005, (ii) 60% of the selling
2 price of property transferred as an incident to the sale of
3 service on or after January 1, 2006 and through December 31,
4 2010, and (iii) 100% of the selling price thereafter.

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

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

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

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

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

20 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
21 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.
22 7-1-00.)

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

25 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

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

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

16 With respect to gasohol, as defined in the Use Tax Act,
17 the tax imposed by this Act shall apply to (i) 70% of the
18 cost price of property transferred as an incident to the sale
19 of service on or after January 1, 1990, and before January 1,
20 2002, (ii) 75% of the selling price of property transferred
21 as an incident to the sale of service on or after January 1,
22 2002 and through December 31, 2005, (iii) 80% of the selling
23 price of property transferred as an incident to the sale of
24 service on or after January 1, 2006 and through December 31,
25 2010 July--17--2003, and (iv) to 100% of the cost price
26 thereafter.

27 With respect to E85 blend fuel, as defined in the Use Tax
28 Act, the tax imposed by this Act does not apply to the
29 selling price of property transferred as an incident to the
30 sale of service on or after January 1, 2002 and through
31 December 31, 2010 but applies to 100% of the selling price
32 thereafter.

33 With respect to bio-diesel blend fuel, as defined in the
34 Use Tax Act, with no more than 10% fuel made from biomass

1 material, the tax imposed by this Act applies to (i) 75% of
2 the selling price of property transferred as an incident to
3 the sale of service on or after January 1, 2002 and through
4 December 31, 2005, (ii) 80% of the proceeds of the selling
5 price of property transferred as an incident to the sale of
6 service on or after January 1, 2006 and through December 31,
7 2010, and (iii) 100% of the proceeds of the selling price
8 thereafter.

9 With respect to bio-diesel blend fuel, as defined in the
10 Use Tax Act, with more than 10% fuel made from biomass
11 material, the tax imposed by this Act applies to (i) 50% of
12 the proceeds of the selling price of property transferred as
13 an incident to the sale of service on or after January 1,
14 2002 and through December 31, 2005, (ii) 60% of the selling
15 price of property transferred as an incident to the sale of
16 service on or after January 1, 2006 and through December 31,
17 2010, and (iii) 100% of the selling price thereafter.

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

28 The tax shall be imposed at the rate of 1% on food
29 prepared for immediate consumption and transferred incident
30 to a sale of service subject to this Act or the Service
31 Occupation Tax Act by an entity licensed under the Hospital
32 Licensing Act, the Nursing Home Care Act, or the Child Care
33 Act of 1969. The tax shall also be imposed at the rate of 1%
34 on food for human consumption that is to be consumed off the

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

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

26 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
27 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

28 Section 20. The Retailers' Occupation Tax Act is amended
29 by changing Section 2-10 as follows:

30 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

31 Sec. 2-10. Rate of tax. Unless otherwise provided in
32 this Section, the tax imposed by this Act is at the rate of

1 6.25% of gross receipts from sales of tangible personal
2 property made in the course of business.

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

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

22 With respect to gasohol, as defined in the Use Tax Act,
23 the tax imposed by this Act applies to (i) 70% of the
24 proceeds of sales made on or after January 1, 1990, and
25 before January 1, 2002, (ii) 75% of the proceeds of sales
26 made on or after January 1, 2002 and through December 31,
27 2005, (iii) 80% of the proceeds of sales made on or after
28 January 1, 2006 and through December 31, 2010 ~~July-17-2003~~,
29 and (iv) ~~to~~ 100% of the proceeds of sales made thereafter.

30 With respect to E85 blend fuel, as defined in the Use Tax
31 Act, the tax imposed by this Act does not apply to the
32 proceeds of sales made on or after January 1, 2002 and
33 through December 31, 2010 but applies to 100% of the proceeds
34 of sales made thereafter.

1 With respect to bio-diesel blend fuel, as defined in the
2 Use Tax Act, with no more than 10% fuel made from biomass
3 material, the tax imposed by this Act applies to (i) 75% of
4 the proceeds of sales made on or after January 1, 2002 and
5 through December 31, 2005, (ii) 80% of the proceeds of sales
6 made on or after January 1, 2006 and through December 31,
7 2010, and (iii) 100% of the proceeds of sales made
8 thereafter.

9 With respect to bio-diesel blend fuel, as defined in the
10 Use Tax Act, with more than 10% fuel made from biomass
11 material, the tax imposed by this Act applies to (i) 50% of
12 the proceeds of sales made on or after January 1, 2002 and
13 through December 31, 2005, (ii) 60% of the proceeds of sales
14 made on or after January 1, 2006 and through December 31,
15 2010, and (iii) 100% of the proceeds of sales made
16 thereafter.

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

1 the Grade A Pasteurized Milk and Milk Products Act, or drinks
2 containing 50% or more natural fruit or vegetable juice.

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

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

11 Section 99. Effective date. This Act takes effect upon
12 becoming law."