

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 does not apply to the proceeds of sales made on or after
33 January 1, 2002 and through December 31, 2010 but applies to
34 100% of the proceeds of sales made thereafter.

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

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

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

34 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;

1 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

2 (35 ILCS 105/3-41 new)

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

11 (35 ILCS 105/3-42 new)

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

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

19 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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

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

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

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

28 With respect to bio-diesel blend fuel, as defined in the
29 Use Tax Act, with more than 10% fuel made from biomass
30 material, the tax imposed by this Act does not apply to the
31 selling price of property transferred as an incident to the
32 sale of service on or after January 1, 2002 and through
33 December 31, 2010 but applies to 100% of the selling price
34 thereafter.

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

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

1 Pasteurized Milk and Milk Products Act, or drinks containing
2 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 If the property that is acquired from a serviceman is
10 acquired outside Illinois and used outside Illinois before
11 being brought to Illinois for use here and is taxable under
12 this Act, the "selling price" on which the tax is computed
13 shall be reduced by an amount that represents a reasonable
14 allowance for depreciation for the period of prior
15 out-of-state use.

16 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
17 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.
18 7-1-00.)

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

21 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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", as defined in Section 2 of the
25 Service Use Tax Act, of the tangible personal property. For
26 the purpose of computing this tax, in no event shall the
27 "selling price" be less than the cost price to the serviceman
28 of the tangible personal property transferred. The selling
29 price of each item of tangible personal property transferred
30 as an incident of a sale of service may be shown as a
31 distinct and separate item on the serviceman's billing to the
32 service customer. If the selling price is not so shown, the

1 selling price of the tangible personal property is deemed to
2 be 50% of the serviceman's entire billing to the service
3 customer. When, however, a serviceman contracts to design,
4 develop, and produce special order machinery or equipment,
5 the tax imposed by this Act shall be based on the
6 serviceman's cost price of the tangible personal property
7 transferred incident to the completion of the contract.

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

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

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

29 With respect to bio-diesel blend fuel, as defined in the
30 Use Tax Act, with no more than 10% fuel made from biomass
31 material, the tax imposed by this Act applies to (i) 75% of
32 the selling price of property transferred as an incident to
33 the sale of service on or after January 1, 2002 and through
34 December 31, 2005, (ii) 80% of the proceeds of the selling

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

5 With respect to bio-diesel blend fuel, as defined in the
6 Use Tax Act, with more than 10% fuel made from biomass
7 material, the tax imposed by this Act does not apply to the
8 selling price of property transferred as an incident to the
9 sale of service on or after January 1, 2002 and through
10 December 31, 2010 but applies to 100% of the selling price
11 thereafter.

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

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

1 insulin, urine testing materials, syringes, and needles used
2 by diabetics, for human use. For the purposes of this
3 Section, the term "soft drinks" means any complete, finished,
4 ready-to-use, non-alcoholic drink, whether carbonated or not,
5 including but not limited to soda water, cola, fruit juice,
6 vegetable juice, carbonated water, and all other preparations
7 commonly known as soft drinks of whatever kind or description
8 that are contained in any closed or sealed can, carton, or
9 container, regardless of size. "Soft drinks" does not
10 include coffee, tea, non-carbonated water, infant formula,
11 milk or milk products as defined in the Grade A Pasteurized
12 Milk and Milk Products Act, or drinks containing 50% or more
13 natural fruit or vegetable juice.

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

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

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

24 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

25 Sec. 2-10. Rate of tax. Unless otherwise provided in
26 this Section, the tax imposed by this Act is at the rate of
27 6.25% of gross receipts from sales of tangible personal
28 property made in the course of business.

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

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

16 With respect to gasohol, as defined in the Use Tax Act,
17 the tax imposed by this Act applies to (i) 70% of the
18 proceeds of sales made on or after January 1, 1990, and
19 before January 1, 2002, (ii) 75% of the proceeds of sales
20 made on or after January 1, 2002 and through December 31,
21 2005, (iii) 80% of the proceeds of sales made on or after
22 January 1, 2006 and through December 31, 2010 ~~July-17-2003~~,
23 and (iv) ~~to~~ 100% of the proceeds of sales made thereafter.

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

29 With respect to bio-diesel blend fuel, as defined in the
30 Use Tax Act, with no more than 10% fuel made from biomass
31 material, the tax imposed by this Act applies to (i) 75% of
32 the proceeds of sales made on or after January 1, 2002 and
33 through December 31, 2005, (ii) 80% of the proceeds of sales
34 made on or after January 1, 2006 and through December 31,

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

3 With respect to bio-diesel blend fuel, as defined in the
4 Use Tax Act, with more than 10% fuel made from biomass
5 material, the tax imposed by this Act does not apply to sales
6 made on or after January 1, 2002 and through December 31,
7 2010 but applies to 100% of the proceeds of sales made
8 thereafter.

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

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

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

3 Section 99. Effective date. This Act takes effect upon
4 becoming law."