

1 AN ACT in relation to taxes.

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

4 Section 5. The State Finance Act is amended by changing  
5 Sections 6z-18 and 6z-20 as follows:

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

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

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

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

3 A portion of the money paid into the Local Government Tax  
4 Fund from the 6.25% general rate (and, beginning July 1, 2000  
5 and through December 31, 2000, and, beginning again on July  
6 1, 2002, the 1.25% rate on motor fuel and gasohol) on sales  
7 subject to taxation under the Retailers' Occupation Tax Act  
8 and the Service Occupation Tax Act, which occurred in  
9 municipalities, shall be distributed to each municipality,  
10 based upon the sales which occurred in that municipality. The  
11 remainder shall be distributed to each county, based upon the  
12 sales which occurred in the unincorporated area of such  
13 county.

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

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

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

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

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

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

34 In construing any development, redevelopment, annexation,

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

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

10 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

11 Sec. 6z-20. Of the money received from the 6.25% general  
12 rate (and, beginning July 1, 2000 and through December 31,  
13 2000, and, beginning again on July 1, 2002, the 1.25% rate on  
14 motor fuel and gasohol) on sales subject to taxation under  
15 the Retailers' Occupation Tax Act and Service Occupation Tax  
16 Act and paid into the County and Mass Transit District Fund,  
17 distribution to the Regional Transportation Authority tax  
18 fund, created pursuant to Section 4.03 of the Regional  
19 Transportation Authority Act, for deposit therein shall be  
20 made based upon the retail sales occurring in a county having  
21 more than 3,000,000 inhabitants. The remainder shall be  
22 distributed to each county having 3,000,000 or fewer  
23 inhabitants based upon the retail sales occurring in each  
24 such county.

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

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

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

28          On or before the 25th day of each calendar month, the  
29          Department shall prepare and certify to the Comptroller the  
30          disbursement of stated sums of money to the Regional  
31          Transportation Authority and to named counties, the counties  
32          to be those entitled to distribution, as hereinabove  
33          provided, of taxes or penalties paid to the Department during  
34          the second preceding calendar month. The amount to be paid

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

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

28 The provisions directing the distributions from the  
29 special fund in the State Treasury provided for in this  
30 Section and from the Regional Transportation Authority tax  
31 fund created by Section 4.03 of the Regional Transportation  
32 Authority Act shall constitute an irrevocable and continuing  
33 appropriation of all amounts as provided herein. The State  
34 Treasurer and State Comptroller are hereby authorized to make

1 distributions as provided in this Section.

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

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

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

14 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

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

1 sales by the taxpayer of the same property as that  
2 functionally used or consumed, or if there are no such sales  
3 by the taxpayer, then comparable sales or purchases of  
4 property of like kind and character in Illinois.

5 Beginning on July 1, 2000 and through December 31, 2000,  
6 and, beginning again on July 1, 2002, with respect to motor  
7 fuel, as defined in Section 1.1 of the Motor Fuel Tax Law,  
8 and gasohol, as defined in Section 3-40 of the Use Tax Act,  
9 the tax is imposed at the rate of 1.25%. The changes made by  
10 this amendatory Act of the 92nd General Assembly are exempt  
11 from the provisions of Section 3-90.

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

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



1 containing 50% or more natural fruit or vegetable juice.

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

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

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

17 Section 15. 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 and, beginning again on July 1, 2002, with respect to motor  
29 fuel, as defined in Section 1.1 of the Motor Fuel Tax Law,  
30 and gasohol, as defined in Section 3-40 of the Use Tax Act,  
31 the tax is imposed at the rate of 1.25%. The changes made by  
32 this amendatory Act of the 92nd General Assembly are exempt

1 from the provisions of Section 3-75.

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

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

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

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

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

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

22 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
23 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.  
24 7-1-00.)

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

27 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

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

14 Beginning on July 1, 2000 and through December 31, 2000,  
15 and, beginning again on July 1, 2002, with respect to motor  
16 fuel, as defined in Section 1.1 of the Motor Fuel Tax Law,  
17 and gasohol, as defined in Section 3-40 of the Use Tax Act,  
18 the tax is imposed at the rate of 1.25%. The changes made by  
19 this amendatory Act of the 92nd General Assembly are exempt  
20 from the provisions of Section 3-55.

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

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

1 transferred incident to the sale of those services.

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

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

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

1 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

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

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

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

9 Beginning on July 1, 2000 and through December 31, 2000,  
10 and, beginning again on July 1, 2002, with respect to motor  
11 fuel, as defined in Section 1.1 of the Motor Fuel Tax Law,  
12 and gasohol, as defined in Section 3-40 of the Use Tax Act,  
13 the tax is imposed at the rate of 1.25%. The changes made by  
14 this amendatory Act of the 92nd General Assembly are exempt  
15 from the provisions of Section 2-70.

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

31 With respect to gasohol, as defined in the Use Tax Act,  
32 the tax imposed by this Act applies to 70% of the proceeds of

1 sales made on or after January 1, 1990, and before July 1,  
2 2003, and to 100% of the proceeds of 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 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
30 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

31 (35 ILCS 120/2d) (from Ch. 120, par. 441d)

32 Sec. 2d. Tax prepayment by motor fuel retailer. Any  
33 person engaged in the business of selling motor fuel at

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

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

17 Before July 1, 2000 and then beginning on January 1, 2001  
18 and through June 30, 2002 thereafter, the Retailers'  
19 Occupation Tax paid to the distributor, supplier, or other  
20 reseller shall be an amount equal to \$0.04 per gallon of the  
21 motor fuel, except gasohol as defined in Section 2-10 of this  
22 Act which shall be an amount equal to \$0.03 per gallon,  
23 purchased from the distributor, supplier, or other reseller.

24 Beginning on July 1, 2002, the Retailers' Occupation Tax  
25 paid to the distributor, supplier, or other reseller shall be  
26 an amount equal to \$0.01 per gallon of the motor fuel  
27 purchased from the distributor, supplier, or other reseller.

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

32 Every distributor, supplier, or other reseller registered  
33 as provided in Section 2a or Section 2c of this Act shall  
34 remit the prepaid tax on all motor fuel that is due from any



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

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

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

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

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

21 (2) A rate shall be established by the Department as of  
22 January 1 of each year through the year 2002 using the  
23 average "selling price", as defined in the Retailers'  
24 Occupation Tax Act, per gallon of motor fuel sold in this  
25 State during the previous 12 months and multiplying it by 6  
26 1/4% to determine the cents per gallon rate. For the period  
27 beginning on July 1, 2000 and through December 31, 2000, the  
28 Department shall establish a rate using the average "selling  
29 price", as defined in the Retailers' Occupation Tax Act, per  
30 gallon of motor fuel sold in this State during calendar year  
31 1999 and multiplying it by 1.25% to determine the cents per  
32 gallon rate. For the period beginning on July 1, 2002 and

1 through December 31, 2002, the Department shall establish a  
2 rate using the average selling price per gallon of motor fuel  
3 sold in this State during calendar year 2001 and multiplying  
4 it by 1.25% to determine the cents per gallon rate.  
5 Beginning in 2003, a rate shall be established by the  
6 Department as of January 1 of each year using the average  
7 selling price per gallon of motor fuel sold in this State  
8 during the previous 12 months and multiplying it by 1.25% to  
9 determine the cents per gallon rate.  
10 (Source: P.A. 91-872, eff. 7-1-00.)

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