



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB4700

Introduced 2/3/2012, by Rep. John E. Bradley - Donald L. Moffitt

SYNOPSIS AS INTRODUCED:

20 ILCS 689/15
20 ILCS 689/20
35 ILCS 105/3-10
35 ILCS 105/3-40 from Ch. 120, par. 439.3-40
35 ILCS 105/3-44
35 ILCS 105/3-44.6 new
35 ILCS 105/3-44.7 new
35 ILCS 110/3-10 from Ch. 120, par. 439.33-10
35 ILCS 115/3-10 from Ch. 120, par. 439.103-10
35 ILCS 120/2-10

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, on or after July 1, 2012 and on or before December 31, 2018, the taxes imposed under the Acts apply to (i) 90% of the proceeds of sales of gasohol, (ii) 80% of the proceeds of sales of E20 blended ethanol fuel, and (iii) 60% of the proceeds of sales of E30 blended ethanol fuel. Provides that an exemption for majority blended ethanol fuel applies through December 31, 2018 (instead of December 31, 2013). Amends the Illinois Renewable Fuels Development Program Act. Provides that grants may be awarded for the following programs: a next generation renewable fuels program, a majority blended ethanol and blender pump infrastructure program, and a research and development program for sustainable corn production and corn-based renewable fuel production. Sets forth the maximum aggregate amount of grants that may be awarded under each program. Effective immediately.

LRB097 18520 HLH 63751 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Renewable Fuels Development
5 Program Act is amended by changing Sections 15 and 20 as
6 follows:

7 (20 ILCS 689/15)

8 Sec. 15. Illinois Renewable Fuels Development Program.

9 (a) The Department must develop and administer the Illinois
10 Renewable Fuels Development Program to assist in the
11 construction, modification, alteration, or retrofitting of
12 renewable fuel plants in Illinois. The recipient of a grant
13 under this Section must:

14 (1) be constructing, modifying, altering, or
15 retrofitting a plant in the State of Illinois;

16 (2) be constructing, modifying, altering, or
17 retrofitting a plant that has annual production capacity of
18 no less than 5,000,000 gallons of renewable fuel per year;
19 and

20 (3) enter into a project labor agreement, whenever
21 practicable, as prescribed by Section 25 of this Act.

22 (b) Grant applications must be made on forms provided by
23 and in accordance with procedures established by the

1 Department.

2 (c) The Department must give preference to applicants that
3 use Illinois agricultural products in the production of
4 renewable fuel at the plant for which the grant is being
5 requested.

6 (Source: P.A. 96-140, eff. 1-1-10.)

7 (20 ILCS 689/20)

8 Sec. 20. Grants. Subject to appropriation, the Director is
9 authorized to award grants to eligible applicants for the
10 following programs.

11 (1) Next generation ethanol/renewable fuels. Eligible
12 next generation ethanol/renewable fuel projects include
13 those renewable fuel facilities installing new
14 technologies to reduce water and energy usage as well as
15 technologies to reduce greenhouse gas emissions. Projects
16 that will result in more efficient processes, new
17 co-products, fuels and chemicals are also eligible for
18 funding. The annual aggregate amount of grants awarded
19 under this item (1) for next generation ethanol/renewable
20 fuel projects shall not exceed \$15,000,000.

21 (2) Majority blended ethanol and blender pump
22 infrastructure program. The Department shall establish a
23 grant program to provide funds for the installation of
24 majority blended ethanol and blender pump fueling
25 facilities. The annual aggregate amount of grants awarded

1 under this item (2) shall not exceed \$5,000,000.

2 (3) Research and development program for sustainable
3 corn production and corn-based renewable fuel production.

4 The Department shall establish a grant program to provide
5 funds for research and development projects to reduce the
6 carbon footprint of corn based renewable fuels through new
7 co-products, new process technologies, and new fuels. The

8 Department shall also establish a grant program to fund
9 research on increasing the sustainability of corn
10 production through better nitrogen utilization, new best

11 management practices for improved soil health, water
12 conservation, and reduced environmental concerns. Eligible
13 projects include those that will increase corn

14 productivity with lower inputs and less risk. The annual
15 aggregate amount of grants awarded under this item (3)
16 shall not exceed \$5,000,000.

17 ~~The annual aggregate amount of grants awarded shall not exceed~~
18 ~~\$20,000,000, except that this amount does not include amounts,~~
19 ~~up to \$4,000,000 per grant, that may be awarded to each~~
20 ~~eligible applicant who installs advanced technologies for~~
21 ~~water usage, carbon footprint reduction, and other blending~~
22 ~~improvements designed to optimize processes at the applicant's~~
23 ~~renewable fuels facility.~~

24 (Source: P.A. 96-173, eff. 8-10-09.)

25 Section 10. The Use Tax Act is amended by changing Sections

1 3-10, 3-40, and 3-44 and by adding Sections 3-44.6 and 3-44.7
2 as follows:

3 (35 ILCS 105/3-10)

4 (Text of Section before amendment by P.A. 97-636)

5 Sec. 3-10. Rate of tax. Unless otherwise provided in this
6 Section, the tax imposed by this Act is at the rate of 6.25% of
7 either the selling price or the fair market value, if any, of
8 the tangible personal property. In all cases where property
9 functionally used or consumed is the same as the property that
10 was purchased at retail, then the tax is imposed on the selling
11 price of the property. In all cases where property functionally
12 used or consumed is a by-product or waste product that has been
13 refined, manufactured, or produced from property purchased at
14 retail, then the tax is imposed on the lower of the fair market
15 value, if any, of the specific property so used in this State
16 or on the selling price of the property purchased at retail.
17 For purposes of this Section "fair market value" means the
18 price at which property would change hands between a willing
19 buyer and a willing seller, neither being under any compulsion
20 to buy or sell and both having reasonable knowledge of the
21 relevant facts. The fair market value shall be established by
22 Illinois sales by the taxpayer of the same property as that
23 functionally used or consumed, or if there are no such sales by
24 the taxpayer, then comparable sales or purchases of property of
25 like kind and character in Illinois.

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

5 Beginning on August 6, 2010 through August 15, 2010, with
6 respect to sales tax holiday items as defined in Section 3-6 of
7 this Act, the tax is imposed at the rate of 1.25%.

8 With respect to gasohol, the tax imposed by this Act
9 applies to (i) 70% of the proceeds of sales made on or after
10 January 1, 1990, and before July 1, 2003, (ii) 80% of the
11 proceeds of sales made on or after July 1, 2003 and on or
12 before June 30, 2012 ~~December 31, 2013~~, (iii) 90% of the
13 proceeds of sales made on or after July 1, 2012 and on or
14 before December 31, 2018, and (iv) ~~(iii)~~ 100% of the proceeds
15 of sales made thereafter. If, at any time, however, the tax
16 under this Act on sales of gasohol is imposed at the rate of
17 1.25%, then the tax imposed by this Act applies to 100% of the
18 proceeds of sales of gasohol made during that time.

19 With respect to E20 blended ethanol fuel, the tax imposed
20 by this Act applies to (i) 80% of the proceeds of sales made on
21 or after July 1, 2012 and on or before December 31, 2018 and
22 (ii) 100% of the proceeds of sales made thereafter. If, at any
23 time, however, the tax under this Act on sales of E20 blended
24 ethanol fuel is imposed at the rate of 1.25%, then the tax
25 imposed by this Act applies to 100% of the proceeds of sales of
26 E20 blended ethanol fuel made during that time.

1 With respect to E30 blended ethanol fuel, the tax imposed
2 by this Act applies to (i) 60% of the proceeds of sales made on
3 or after July 1, 2012 and on or before December 31, 2018 and
4 (ii) 100% of the proceeds of sales made thereafter. If, at any
5 time, however, the tax under this Act on sales of E30 blended
6 ethanol fuel is imposed at the rate of 1.25%, then the tax
7 imposed by this Act applies to 100% of the proceeds of sales of
8 E30 blended ethanol fuel made during that time.

9 With respect to majority blended ethanol fuel, the tax
10 imposed by this Act does not apply to the proceeds of sales
11 made on or after July 1, 2003 and on or before December 31,
12 2018 ~~December 31, 2013~~ but applies to 100% of the proceeds of
13 sales made thereafter.

14 With respect to biodiesel blends with no less than 1% and
15 no more than 10% biodiesel, the tax imposed by this Act applies
16 to (i) 80% of the proceeds of sales made on or after July 1,
17 2003 and on or before December 31, 2013 and (ii) 100% of the
18 proceeds of sales made thereafter. If, at any time, however,
19 the tax under this Act on sales of biodiesel blends with no
20 less than 1% and no more than 10% biodiesel is imposed at the
21 rate of 1.25%, then the tax imposed by this Act applies to 100%
22 of the proceeds of sales of biodiesel blends with no less than
23 1% and no more than 10% biodiesel made during that time.

24 With respect to 100% biodiesel and biodiesel blends with
25 more than 10% but no more than 99% biodiesel, the tax imposed
26 by this Act does not apply to the proceeds of sales made on or

1 after July 1, 2003 and on or before December 31, 2013 but
2 applies 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 of
12 this Section, until September 1, 2009: the term "soft drinks"
13 means any complete, finished, ready-to-use, non-alcoholic
14 drink, whether carbonated or not, including but not limited to
15 soda water, cola, fruit juice, vegetable juice, carbonated
16 water, and all other preparations commonly known as soft drinks
17 of whatever kind or description that are contained in any
18 closed or sealed bottle, can, carton, or container, regardless
19 of size; but "soft drinks" does not include coffee, tea,
20 non-carbonated water, infant formula, milk or milk products as
21 defined in the Grade A Pasteurized Milk and Milk Products Act,
22 or drinks containing 50% or more natural fruit or vegetable
23 juice.

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "soft drinks" means non-alcoholic
26 beverages that contain natural or artificial sweeteners. "Soft

1 drinks" do not include beverages that contain milk or milk
2 products, soy, rice or similar milk substitutes, or greater
3 than 50% of vegetable or fruit juice by volume.

4 Until August 1, 2009, and notwithstanding any other
5 provisions of this Act, "food for human consumption that is to
6 be consumed off the premises where it is sold" includes all
7 food sold through a vending machine, except soft drinks and
8 food products that are dispensed hot from a vending machine,
9 regardless of the location of the vending machine. Beginning
10 August 1, 2009, and notwithstanding any other provisions of
11 this Act, "food for human consumption that is to be consumed
12 off the premises where it is sold" includes all food sold
13 through a vending machine, except soft drinks, candy, and food
14 products that are dispensed hot from a vending machine,
15 regardless of the location of the vending machine.

16 Notwithstanding any other provisions of this Act,
17 beginning September 1, 2009, "food for human consumption that
18 is to be consumed off the premises where it is sold" does not
19 include candy. For purposes of this Section, "candy" means a
20 preparation of sugar, honey, or other natural or artificial
21 sweeteners in combination with chocolate, fruits, nuts or other
22 ingredients or flavorings in the form of bars, drops, or
23 pieces. "Candy" does not include any preparation that contains
24 flour or requires refrigeration.

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "nonprescription medicines and

1 drugs" does not include grooming and hygiene products. For
2 purposes of this Section, "grooming and hygiene products"
3 includes, but is not limited to, soaps and cleaning solutions,
4 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
5 lotions and screens, unless those products are available by
6 prescription only, regardless of whether the products meet the
7 definition of "over-the-counter-drugs". For the purposes of
8 this paragraph, "over-the-counter-drug" means a drug for human
9 use that contains a label that identifies the product as a drug
10 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
11 label includes:

12 (A) A "Drug Facts" panel; or

13 (B) A statement of the "active ingredient(s)" with a
14 list of those ingredients contained in the compound,
15 substance or preparation.

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

23 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
24 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10.)

25 (Text of Section after amendment by P.A. 97-636)

1 Sec. 3-10. Rate of tax. Unless otherwise provided in this
2 Section, the tax imposed by this Act is at the rate of 6.25% of
3 either the selling price or the fair market value, if any, of
4 the tangible personal property. In all cases where property
5 functionally used or consumed is the same as the property that
6 was purchased at retail, then the tax is imposed on the selling
7 price of the property. In all cases where property functionally
8 used or consumed is a by-product or waste product that has been
9 refined, manufactured, or produced from property purchased at
10 retail, then the tax is imposed on the lower of the fair market
11 value, if any, of the specific property so used in this State
12 or on the selling price of the property purchased at retail.
13 For purposes of this Section "fair market value" means the
14 price at which property would change hands between a willing
15 buyer and a willing seller, neither being under any compulsion
16 to buy or sell and both having reasonable knowledge of the
17 relevant facts. The fair market value shall be established by
18 Illinois sales by the taxpayer of the same property as that
19 functionally used or consumed, or if there are no such sales by
20 the taxpayer, then comparable sales or purchases of property of
21 like kind and character in Illinois.

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

26 Beginning on August 6, 2010 through August 15, 2010, with

1 respect to sales tax holiday items as defined in Section 3-6 of
2 this Act, the tax is imposed at the rate of 1.25%.

3 With respect to gasohol, the tax imposed by this Act
4 applies to (i) 70% of the proceeds of sales made on or after
5 January 1, 1990, and before July 1, 2003, (ii) 80% of the
6 proceeds of sales made on or after July 1, 2003 and on or
7 before June 30, 2012 ~~December 31, 2018~~, (iii) 90% of the
8 proceeds of sales made on or after July 1, 2012 and on or
9 before December 31, 2018, and (iv) ~~(iii)~~ 100% of the proceeds
10 of sales made thereafter. If, at any time, however, the tax
11 under this Act on sales of gasohol is imposed at the rate of
12 1.25%, then the tax imposed by this Act applies to 100% of the
13 proceeds of sales of gasohol made during that time.

14 With respect to E20 blended ethanol fuel, the tax imposed
15 by this Act applies to (i) 80% of the proceeds of sales made on
16 or after July 1, 2012 and on or before December 31, 2018 and
17 (ii) 100% of the proceeds of sales made thereafter. If, at any
18 time, however, the tax under this Act on sales of E20 blended
19 ethanol fuel is imposed at the rate of 1.25%, then the tax
20 imposed by this Act applies to 100% of the proceeds of sales of
21 E20 blended ethanol fuel made during that time.

22 With respect to E30 blended ethanol fuel, the tax imposed
23 by this Act applies to (i) 60% of the proceeds of sales made on
24 or after July 1, 2012 and on or before December 31, 2018 and
25 (ii) 100% of the proceeds of sales made thereafter. If, at any
26 time, however, the tax under this Act on sales of E30 blended

1 ethanol fuel is imposed at the rate of 1.25%, then the tax
2 imposed by this Act applies to 100% of the proceeds of sales of
3 E30 blended ethanol fuel made during that time.

4 With respect to majority blended ethanol fuel, the tax
5 imposed by this Act does not apply to the proceeds of sales
6 made on or after July 1, 2003 and on or before December 31,
7 2018 but applies to 100% of the proceeds of sales made
8 thereafter.

9 With respect to biodiesel blends with no less than 1% and
10 no more than 10% biodiesel, the tax imposed by this Act applies
11 to (i) 80% of the proceeds of sales made on or after July 1,
12 2003 and on or before December 31, 2018 and (ii) 100% of the
13 proceeds of sales made thereafter. If, at any time, however,
14 the tax under this Act on sales of biodiesel blends with no
15 less than 1% and no more than 10% biodiesel is imposed at the
16 rate of 1.25%, then the tax imposed by this Act applies to 100%
17 of the proceeds of sales of biodiesel blends with no less than
18 1% and no more than 10% biodiesel made during that time.

19 With respect to 100% biodiesel and biodiesel blends with
20 more than 10% but no more than 99% biodiesel, the tax imposed
21 by this Act does not apply to the proceeds of sales made on or
22 after July 1, 2003 and on or before December 31, 2018 but
23 applies to 100% of the proceeds of sales made thereafter.

24 With respect to food for human consumption that is to be
25 consumed off the premises where it is sold (other than
26 alcoholic beverages, soft drinks, and food that has been

1 prepared for immediate consumption) and prescription and
2 nonprescription medicines, drugs, medical appliances,
3 modifications to a motor vehicle for the purpose of rendering
4 it usable by a disabled person, and insulin, urine testing
5 materials, syringes, and needles used by diabetics, for human
6 use, the tax is imposed at the rate of 1%. For the purposes of
7 this Section, until September 1, 2009: the term "soft drinks"
8 means any complete, finished, ready-to-use, non-alcoholic
9 drink, whether carbonated or not, including but not limited to
10 soda water, cola, fruit juice, vegetable juice, carbonated
11 water, and all other preparations commonly known as soft drinks
12 of whatever kind or description that are contained in any
13 closed or sealed bottle, can, carton, or container, regardless
14 of size; but "soft drinks" does not include coffee, tea,
15 non-carbonated water, infant formula, milk or milk products as
16 defined in the Grade A Pasteurized Milk and Milk Products Act,
17 or drinks containing 50% or more natural fruit or vegetable
18 juice.

19 Notwithstanding any other provisions of this Act,
20 beginning September 1, 2009, "soft drinks" means non-alcoholic
21 beverages that contain natural or artificial sweeteners. "Soft
22 drinks" do not include beverages that contain milk or milk
23 products, soy, rice or similar milk substitutes, or greater
24 than 50% of vegetable or fruit juice by volume.

25 Until August 1, 2009, and notwithstanding any other
26 provisions of this Act, "food for human consumption that is to

1 be consumed off the premises where it is sold" includes all
2 food sold through a vending machine, except soft drinks and
3 food products that are dispensed hot from a vending machine,
4 regardless of the location of the vending machine. Beginning
5 August 1, 2009, and notwithstanding any other provisions of
6 this Act, "food for human consumption that is to be consumed
7 off the premises where it is sold" includes all food sold
8 through a vending machine, except soft drinks, candy, and food
9 products that are dispensed hot from a vending machine,
10 regardless of the location of the vending machine.

11 Notwithstanding any other provisions of this Act,
12 beginning September 1, 2009, "food for human consumption that
13 is to be consumed off the premises where it is sold" does not
14 include candy. For purposes of this Section, "candy" means a
15 preparation of sugar, honey, or other natural or artificial
16 sweeteners in combination with chocolate, fruits, nuts or other
17 ingredients or flavorings in the form of bars, drops, or
18 pieces. "Candy" does not include any preparation that contains
19 flour or requires refrigeration.

20 Notwithstanding any other provisions of this Act,
21 beginning September 1, 2009, "nonprescription medicines and
22 drugs" does not include grooming and hygiene products. For
23 purposes of this Section, "grooming and hygiene products"
24 includes, but is not limited to, soaps and cleaning solutions,
25 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
26 lotions and screens, unless those products are available by

1 prescription only, regardless of whether the products meet the
2 definition of "over-the-counter-drugs". For the purposes of
3 this paragraph, "over-the-counter-drug" means a drug for human
4 use that contains a label that identifies the product as a drug
5 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
6 label includes:

7 (A) A "Drug Facts" panel; or

8 (B) A statement of the "active ingredient(s)" with a
9 list of those ingredients contained in the compound,
10 substance or preparation.

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

18 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
19 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10;
20 97-636, eff. 6-1-12.)

21 (35 ILCS 105/3-40) (from Ch. 120, par. 439.3-40)

22 Sec. 3-40. Gasohol. As used in this Act, "gasohol" means
23 motor fuel that is a denatured ethanol and gasoline blend ~~of~~
24 ~~denatured ethanol and gasoline~~ that contains (i) no more than
25 1.25% water by weight and (ii) the maximum proportion of

1 ethanol authorized by the United States Environmental
2 Protection Agency under Section 211 of the Clean Air Act. ~~The~~
3 ~~blend must contain 90% gasoline and 10% denatured ethanol.~~ A
4 maximum of one percent error factor in the amount of denatured
5 ethanol used in the blend is allowable to compensate for
6 blending equipment variations. Any person who knowingly sells
7 or represents as gasohol any fuel that does not qualify as
8 gasohol under this Act is guilty of a business offense and
9 shall be fined not more than \$100 for each day that the sale or
10 representation takes place after notification from the
11 Department of Agriculture that the fuel in question does not
12 qualify as gasohol.

13 (Source: P.A. 93-724, eff. 7-13-04.)

14 (35 ILCS 105/3-44)

15 Sec. 3-44. Majority blended ethanol fuel. "Majority
16 blended ethanol fuel" means motor fuel that (i) contains not
17 less than 51% and no more than 83% by volume ethanol, as
18 specified in ASTM Standard DS798-11 and (ii) is capable of
19 being used in the operation of flexible fuel vehicles. ~~70% and~~
20 ~~no more than 90% denatured ethanol and no less than 10% and no~~
21 ~~more than 30% gasoline.~~

22 (Source: P.A. 93-17, eff. 6-11-03.)

23 (35 ILCS 105/3-44.6 new)

24 Sec. 3-44.6. E20 blended ethanol fuel. "E20 blended ethanol

1 fuel" means a blend of 20% denatured ethanol, ASTM Standard D
2 4806, and 80% gasoline for use in flexible fuel vehicles.

3 (35 ILCS 105/3-44.7 new)

4 Sec. 3-44.7. E30 blended ethanol fuel. "E30 blended ethanol
5 fuel" means a blend of 30% denatured ethanol, ASTM Standard D
6 4806, and 70% gasoline for use in flexible fuel vehicles.

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

9 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

10 (Text of Section before amendment by P.A. 97-636)

11 Sec. 3-10. Rate of tax. Unless otherwise provided in this
12 Section, the tax imposed by this Act is at the rate of 6.25% of
13 the selling price of tangible personal property transferred as
14 an incident to the sale of service, but, for the purpose of
15 computing this tax, in no event shall the selling price be less
16 than the cost price of the property to the serviceman.

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

21 With respect to gasohol, as defined in the Use Tax Act, the
22 tax imposed by this Act applies to (i) 70% of the selling price
23 of property transferred as an incident to the sale of service

1 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
2 of the selling price of property transferred as an incident to
3 the sale of service on or after July 1, 2003 and on or before
4 June 30, 2012 ~~December 31, 2013~~, (iii) 90% of the selling price
5 of property transferred as an incident to the sale of service
6 on or after July 1, 2012, and on or before December 31, 2018,
7 and (iv) ~~(iii)~~ 100% of the selling price thereafter. If, at any
8 time, however, the tax under this Act on sales of gasohol, as
9 defined in the Use Tax Act, is imposed at the rate of 1.25%,
10 then the tax imposed by this Act applies to 100% of the
11 proceeds of sales of gasohol made during that time.

12 With respect to E20 blended ethanol fuel, as defined in the
13 Use Tax Act, the tax imposed by this Act applies to (i) 80% of
14 the selling price of property transferred as an incident to the
15 sale of service on or after July 1, 2012 and on or before
16 December 31, 2018 and (ii) 100% of the selling price
17 thereafter. If, at any time, however, the tax under this Act on
18 sales of E20 blended ethanol fuel is imposed at the rate of
19 1.25%, then the tax imposed by this Act applies to 100% of the
20 proceeds of sales of E20 blended ethanol fuel made during that
21 time.

22 With respect to E30 blended ethanol fuel, as defined in the
23 Use Tax Act, the tax imposed by this Act applies to (i) 60% of
24 the selling price of property transferred as an incident to the
25 sale of service on or after July 1, 2012 and on or before
26 December 31, 2018 and (ii) 100% of the selling price

1 thereafter. If, at any time, however, the tax under this Act on
2 sales of E30 blended ethanol fuel is imposed at the rate of
3 1.25%, then the tax imposed by this Act applies to 100% of the
4 proceeds of sales of E30 blended ethanol fuel made during that
5 time.

6 With respect to majority blended ethanol fuel, as defined
7 in the Use Tax Act, the tax imposed by this Act does not apply
8 to the selling price of property transferred as an incident to
9 the sale of service on or after July 1, 2003 and on or before
10 December 31, 2018 ~~December 31, 2013~~ but applies to 100% of the
11 selling price thereafter.

12 With respect to biodiesel blends, as defined in the Use Tax
13 Act, with no less than 1% and no more than 10% biodiesel, the
14 tax imposed by this Act applies to (i) 80% of the selling price
15 of property transferred as an incident to the sale of service
16 on or after July 1, 2003 and on or before December 31, 2013 and
17 (ii) 100% of the proceeds of the selling price thereafter. If,
18 at any time, however, the tax under this Act on sales of
19 biodiesel blends, as defined in the Use Tax Act, with no less
20 than 1% and no more than 10% biodiesel is imposed at the rate
21 of 1.25%, then the tax imposed by this Act applies to 100% of
22 the proceeds of sales of biodiesel blends with no less than 1%
23 and no more than 10% biodiesel made during that time.

24 With respect to 100% biodiesel, as defined in the Use Tax
25 Act, and biodiesel blends, as defined in the Use Tax Act, with
26 more than 10% but no more than 99% biodiesel, the tax imposed

1 by this Act does not apply to the proceeds of the selling price
2 of property transferred as an incident to the sale of service
3 on or after July 1, 2003 and on or before December 31, 2013 but
4 applies to 100% of the selling price thereafter.

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

15 The tax shall be imposed at the rate of 1% on food prepared
16 for immediate consumption and transferred incident to a sale of
17 service subject to this Act or the Service Occupation Tax Act
18 by an entity licensed under the Hospital Licensing Act, the
19 Nursing Home Care Act, the ID/DD Community Care Act, the
20 Specialized Mental Health Rehabilitation Act, or the Child Care
21 Act of 1969. The tax shall also be imposed at the rate of 1% on
22 food for human consumption that is to be consumed off the
23 premises where it is sold (other than alcoholic beverages, soft
24 drinks, and food that has been prepared for immediate
25 consumption and is not otherwise included in this paragraph)
26 and prescription and nonprescription medicines, drugs, medical

1 appliances, modifications to a motor vehicle for the purpose of
2 rendering it usable by a disabled person, and insulin, urine
3 testing materials, syringes, and needles used by diabetics, for
4 human use. For the purposes of this Section, until September 1,
5 2009: the term "soft drinks" means any complete, finished,
6 ready-to-use, non-alcoholic drink, whether carbonated or not,
7 including but not limited to soda water, cola, fruit juice,
8 vegetable juice, carbonated water, and all other preparations
9 commonly known as soft drinks of whatever kind or description
10 that are contained in any closed or sealed bottle, can, carton,
11 or container, regardless of size; but "soft drinks" does not
12 include coffee, tea, non-carbonated water, infant formula,
13 milk or milk products as defined in the Grade A Pasteurized
14 Milk and Milk Products Act, or drinks containing 50% or more
15 natural fruit or vegetable juice.

16 Notwithstanding any other provisions of this Act,
17 beginning September 1, 2009, "soft drinks" means non-alcoholic
18 beverages that contain natural or artificial sweeteners. "Soft
19 drinks" do not include beverages that contain milk or milk
20 products, soy, rice or similar milk substitutes, or greater
21 than 50% of vegetable or fruit juice by volume.

22 Until August 1, 2009, and notwithstanding any other
23 provisions of this Act, "food for human consumption that is to
24 be consumed off the premises where it is sold" includes all
25 food sold through a vending machine, except soft drinks and
26 food products that are dispensed hot from a vending machine,

1 regardless of the location of the vending machine. Beginning
2 August 1, 2009, and notwithstanding any other provisions of
3 this Act, "food for human consumption that is to be consumed
4 off the premises where it is sold" includes all food sold
5 through a vending machine, except soft drinks, candy, and food
6 products that are dispensed hot from a vending machine,
7 regardless of the location of the vending machine.

8 Notwithstanding any other provisions of this Act,
9 beginning September 1, 2009, "food for human consumption that
10 is to be consumed off the premises where it is sold" does not
11 include candy. For purposes of this Section, "candy" means a
12 preparation of sugar, honey, or other natural or artificial
13 sweeteners in combination with chocolate, fruits, nuts or other
14 ingredients or flavorings in the form of bars, drops, or
15 pieces. "Candy" does not include any preparation that contains
16 flour or requires refrigeration.

17 Notwithstanding any other provisions of this Act,
18 beginning September 1, 2009, "nonprescription medicines and
19 drugs" does not include grooming and hygiene products. For
20 purposes of this Section, "grooming and hygiene products"
21 includes, but is not limited to, soaps and cleaning solutions,
22 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
23 lotions and screens, unless those products are available by
24 prescription only, regardless of whether the products meet the
25 definition of "over-the-counter-drugs". For the purposes of
26 this paragraph, "over-the-counter-drug" means a drug for human

1 use that contains a label that identifies the product as a drug
2 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
3 label includes:

4 (A) A "Drug Facts" panel; or

5 (B) A statement of the "active ingredient(s)" with a
6 list of those ingredients contained in the compound,
7 substance or preparation.

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

15 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
16 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10; 97-38,
17 eff. 6-28-11; 97-227, eff. 1-1-12; revised 9-12-11.)

18 (Text of Section after amendment by P.A. 97-636)

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

25 Beginning on July 1, 2000 and through December 31, 2000,

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

4 With respect to gasohol, as defined in the Use Tax Act, the
5 tax imposed by this Act applies to (i) 70% of the selling price
6 of property transferred as an incident to the sale of service
7 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
8 of the selling price of property transferred as an incident to
9 the sale of service on or after July 1, 2003 and on or before
10 June 30, 2012 ~~December 31, 2018~~, (iii) 90% of the selling price
11 of property transferred as an incident to the sale of service
12 on or after July 1, 2012, and on or before December 31, 2018,
13 and (iv) ~~(iii)~~ 100% of the selling price thereafter. If, at any
14 time, however, the tax under this Act on sales of gasohol, as
15 defined in the Use Tax Act, is imposed at the rate of 1.25%,
16 then the tax imposed by this Act applies to 100% of the
17 proceeds of sales of gasohol made during that time.

18 With respect to E20 blended ethanol fuel, as defined in the
19 Use Tax Act, the tax imposed by this Act applies to (i) 80% of
20 the selling price of property transferred as an incident to the
21 sale of service on or after July 1, 2012 and on or before
22 December 31, 2018 and (ii) 100% of the selling price
23 thereafter. If, at any time, however, the tax under this Act on
24 sales of E20 blended ethanol fuel is imposed at the rate of
25 1.25%, then the tax imposed by this Act applies to 100% of the
26 proceeds of sales of E20 blended ethanol fuel made during that

1 time.

2 With respect to E30 blended ethanol fuel, as defined in the
3 Use Tax Act, the tax imposed by this Act applies to (i) 60% of
4 the selling price of property transferred as an incident to the
5 sale of service on or after July 1, 2012 and on or before
6 December 31, 2018 and (ii) 100% of the selling price
7 thereafter. If, at any time, however, the tax under this Act on
8 sales of E30 blended ethanol fuel is imposed at the rate of
9 1.25%, then the tax imposed by this Act applies to 100% of the
10 proceeds of sales of E30 blended ethanol fuel made during that
11 time.

12 With respect to majority blended ethanol fuel, as defined
13 in the Use Tax Act, the tax imposed by this Act does not apply
14 to the selling price of property transferred as an incident to
15 the sale of service on or after July 1, 2003 and on or before
16 December 31, 2018 but applies to 100% of the selling price
17 thereafter.

18 With respect to biodiesel blends, as defined in the Use Tax
19 Act, with no less than 1% and no more than 10% biodiesel, the
20 tax imposed by this Act applies to (i) 80% of the selling price
21 of property transferred as an incident to the sale of service
22 on or after July 1, 2003 and on or before December 31, 2018 and
23 (ii) 100% of the proceeds of the selling price thereafter. If,
24 at any time, however, the tax under this Act on sales of
25 biodiesel blends, as defined in the Use Tax Act, with no less
26 than 1% and no more than 10% biodiesel is imposed at the rate

1 of 1.25%, then the tax imposed by this Act applies to 100% of
2 the proceeds of sales of biodiesel blends with no less than 1%
3 and no more than 10% biodiesel made during that time.

4 With respect to 100% biodiesel, as defined in the Use Tax
5 Act, and biodiesel blends, as defined in the Use Tax Act, with
6 more than 10% but no more than 99% biodiesel, the tax imposed
7 by this Act does not apply to the proceeds of the selling price
8 of property transferred as an incident to the sale of service
9 on or after July 1, 2003 and on or before December 31, 2018 but
10 applies to 100% of the selling price thereafter.

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

21 The tax shall be imposed at the rate of 1% on food prepared
22 for immediate consumption and transferred incident to a sale of
23 service subject to this Act or the Service Occupation Tax Act
24 by an entity licensed under the Hospital Licensing Act, the
25 Nursing Home Care Act, the ID/DD Community Care Act, the
26 Specialized Mental Health Rehabilitation Act, or the Child Care

1 Act of 1969. The tax shall also be imposed at the rate of 1% on
2 food for human consumption that is to be consumed off the
3 premises where it is sold (other than alcoholic beverages, soft
4 drinks, and food that has been prepared for immediate
5 consumption and is not otherwise included in this paragraph)
6 and prescription and nonprescription medicines, drugs, medical
7 appliances, modifications to a motor vehicle for the purpose of
8 rendering it usable by a disabled person, and insulin, urine
9 testing materials, syringes, and needles used by diabetics, for
10 human use. For the purposes of this Section, until September 1,
11 2009: the term "soft drinks" means any complete, finished,
12 ready-to-use, non-alcoholic drink, whether carbonated or not,
13 including but not limited to soda water, cola, fruit juice,
14 vegetable juice, carbonated water, and all other preparations
15 commonly known as soft drinks of whatever kind or description
16 that are contained in any closed or sealed bottle, can, carton,
17 or container, regardless of size; but "soft drinks" does not
18 include coffee, tea, non-carbonated water, infant formula,
19 milk or milk products as defined in the Grade A Pasteurized
20 Milk and Milk Products Act, or drinks containing 50% or more
21 natural fruit or vegetable juice.

22 Notwithstanding any other provisions of this Act,
23 beginning September 1, 2009, "soft drinks" means non-alcoholic
24 beverages that contain natural or artificial sweeteners. "Soft
25 drinks" do not include beverages that contain milk or milk
26 products, soy, rice or similar milk substitutes, or greater

1 than 50% of vegetable or fruit juice by volume.

2 Until August 1, 2009, and notwithstanding any other
3 provisions of this Act, "food for human consumption that is to
4 be consumed off the premises where it is sold" includes all
5 food sold through a vending machine, except soft drinks and
6 food products that are dispensed hot from a vending machine,
7 regardless of the location of the vending machine. Beginning
8 August 1, 2009, and notwithstanding any other provisions of
9 this Act, "food for human consumption that is to be consumed
10 off the premises where it is sold" includes all food sold
11 through a vending machine, except soft drinks, candy, and food
12 products that are dispensed hot from a vending machine,
13 regardless of the location of the vending machine.

14 Notwithstanding any other provisions of this Act,
15 beginning September 1, 2009, "food for human consumption that
16 is to be consumed off the premises where it is sold" does not
17 include candy. For purposes of this Section, "candy" means a
18 preparation of sugar, honey, or other natural or artificial
19 sweeteners in combination with chocolate, fruits, nuts or other
20 ingredients or flavorings in the form of bars, drops, or
21 pieces. "Candy" does not include any preparation that contains
22 flour or requires refrigeration.

23 Notwithstanding any other provisions of this Act,
24 beginning September 1, 2009, "nonprescription medicines and
25 drugs" does not include grooming and hygiene products. For
26 purposes of this Section, "grooming and hygiene products"

1 includes, but is not limited to, soaps and cleaning solutions,
2 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
3 lotions and screens, unless those products are available by
4 prescription only, regardless of whether the products meet the
5 definition of "over-the-counter-drugs". For the purposes of
6 this paragraph, "over-the-counter-drug" means a drug for human
7 use that contains a label that identifies the product as a drug
8 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
9 label includes:

10 (A) A "Drug Facts" panel; or

11 (B) A statement of the "active ingredient(s)" with a
12 list of those ingredients contained in the compound,
13 substance or preparation.

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

21 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
22 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10; 97-38,
23 eff. 6-28-11; 97-227, eff. 1-1-12; 97-636, eff. 6-1-12.)

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

1 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

2 (Text of Section before amendment by P.A. 97-636)

3 Sec. 3-10. Rate of tax. Unless otherwise provided in this
4 Section, the tax imposed by this Act is at the rate of 6.25% of
5 the "selling price", as defined in Section 2 of the Service Use
6 Tax Act, of the tangible personal property. For the purpose of
7 computing this tax, in no event shall the "selling price" be
8 less than the cost price to the serviceman of the tangible
9 personal property transferred. The selling price of each item
10 of tangible personal property transferred as an incident of a
11 sale of service may be shown as a distinct and separate item on
12 the serviceman's billing to the service customer. If the
13 selling price is not so shown, the selling price of the
14 tangible personal property is deemed to be 50% of the
15 serviceman's entire billing to the service customer. When,
16 however, a serviceman contracts to design, develop, and produce
17 special order machinery or equipment, the tax imposed by this
18 Act shall be based on the serviceman's cost price of the
19 tangible personal property transferred incident to the
20 completion of the contract.

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

25 With respect to gasohol, as defined in the Use Tax Act, the

1 tax imposed by this Act shall apply to (i) 70% of the cost
2 price of property transferred as an incident to the sale of
3 service on or after January 1, 1990, and before July 1, 2003,
4 (ii) 80% of the selling price of property transferred as an
5 incident to the sale of service on or after July 1, 2003 and on
6 or before June 30, 2012 ~~December 31, 2013~~, (iii) 90% of the
7 selling price of property transferred as an incident to the
8 sale of service on or after July 1, 2012, and on or before
9 December 31, 2018, and (iv) ~~(iii)~~ 100% of the cost price
10 thereafter. If, at any time, however, the tax under this Act on
11 sales of gasohol, as defined in the Use Tax Act, is imposed at
12 the rate of 1.25%, then the tax imposed by this Act applies to
13 100% of the proceeds of sales of gasohol made during that time.

14 With respect to E20 blended ethanol fuel, as defined in the
15 Use Tax Act, the tax imposed by this Act applies to (i) 80% of
16 the selling price of property transferred as an incident to the
17 sale of service on or after July 1, 2012 and on or before
18 December 31, 2018 and (ii) 100% of the selling price
19 thereafter. If, at any time, however, the tax under this Act on
20 sales of E20 blended ethanol fuel is imposed at the rate of
21 1.25%, then the tax imposed by this Act applies to 100% of the
22 proceeds of sales of E20 blended ethanol fuel made during that
23 time.

24 With respect to E30 blended ethanol fuel, as defined in the
25 Use Tax Act, the tax imposed by this Act applies to (i) 60% of
26 the selling price of property transferred as an incident to the

1 sale of service on or after July 1, 2012 and on or before
2 December 31, 2018 and (ii) 100% of the selling price
3 thereafter. If, at any time, however, the tax under this Act on
4 sales of E30 blended ethanol fuel is imposed at the rate of
5 1.25%, then the tax imposed by this Act applies to 100% of the
6 proceeds of sales of E30 blended ethanol fuel made during that
7 time.

8 With respect to majority blended ethanol fuel, as defined
9 in the Use Tax Act, the tax imposed by this Act does not apply
10 to the selling price of property transferred as an incident to
11 the sale of service on or after July 1, 2003 and on or before
12 December 31, 2018 ~~December 31, 2013~~ but applies to 100% of the
13 selling price thereafter.

14 With respect to biodiesel blends, as defined in the Use Tax
15 Act, with no less than 1% and no more than 10% biodiesel, the
16 tax imposed by this Act applies to (i) 80% of the selling price
17 of property transferred as an incident to the sale of service
18 on or after July 1, 2003 and on or before December 31, 2013 and
19 (ii) 100% of the proceeds of the selling price thereafter. If,
20 at any time, however, the tax under this Act on sales of
21 biodiesel blends, as defined in the Use Tax Act, with no less
22 than 1% and no more than 10% biodiesel is imposed at the rate
23 of 1.25%, then the tax imposed by this Act applies to 100% of
24 the proceeds of sales of biodiesel blends with no less than 1%
25 and no more than 10% biodiesel made during that time.

26 With respect to 100% biodiesel, as defined in the Use Tax

1 Act, and biodiesel blends, as defined in the Use Tax Act, with
2 more than 10% but no more than 99% biodiesel material, the tax
3 imposed by this Act does not apply to the proceeds of the
4 selling price of property transferred as an incident to the
5 sale of service on or after July 1, 2003 and on or before
6 December 31, 2013 but applies to 100% of the selling price
7 thereafter.

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

18 The tax shall be imposed at the rate of 1% on food prepared
19 for immediate consumption and transferred incident to a sale of
20 service subject to this Act or the Service Occupation Tax Act
21 by an entity licensed under the Hospital Licensing Act, the
22 Nursing Home Care Act, the ID/DD Community Care Act, the
23 Specialized Mental Health Rehabilitation Act, or the Child Care
24 Act of 1969. The tax shall also be imposed at the rate of 1% on
25 food for human consumption that is to be consumed off the
26 premises where it is sold (other than alcoholic beverages, soft

1 drinks, and food that has been prepared for immediate
2 consumption and is not otherwise included in this paragraph)
3 and prescription and nonprescription medicines, drugs, medical
4 appliances, modifications to a motor vehicle for the purpose of
5 rendering it usable by a disabled person, and insulin, urine
6 testing materials, syringes, and needles used by diabetics, for
7 human use. For the purposes of this Section, until September 1,
8 2009: the term "soft drinks" means any complete, finished,
9 ready-to-use, non-alcoholic drink, whether carbonated or not,
10 including but not limited to soda water, cola, fruit juice,
11 vegetable juice, carbonated water, and all other preparations
12 commonly known as soft drinks of whatever kind or description
13 that are contained in any closed or sealed can, carton, or
14 container, regardless of size; but "soft drinks" does not
15 include coffee, tea, non-carbonated water, infant formula,
16 milk or milk products as defined in the Grade A Pasteurized
17 Milk and Milk Products Act, or drinks containing 50% or more
18 natural fruit or vegetable juice.

19 Notwithstanding any other provisions of this Act,
20 beginning September 1, 2009, "soft drinks" means non-alcoholic
21 beverages that contain natural or artificial sweeteners. "Soft
22 drinks" do not include beverages that contain milk or milk
23 products, soy, rice or similar milk substitutes, or greater
24 than 50% of vegetable or fruit juice by volume.

25 Until August 1, 2009, and notwithstanding any other
26 provisions of this Act, "food for human consumption that is to

1 be consumed off the premises where it is sold" includes all
2 food sold through a vending machine, except soft drinks and
3 food products that are dispensed hot from a vending machine,
4 regardless of the location of the vending machine. Beginning
5 August 1, 2009, and notwithstanding any other provisions of
6 this Act, "food for human consumption that is to be consumed
7 off the premises where it is sold" includes all food sold
8 through a vending machine, except soft drinks, candy, and food
9 products that are dispensed hot from a vending machine,
10 regardless of the location of the vending machine.

11 Notwithstanding any other provisions of this Act,
12 beginning September 1, 2009, "food for human consumption that
13 is to be consumed off the premises where it is sold" does not
14 include candy. For purposes of this Section, "candy" means a
15 preparation of sugar, honey, or other natural or artificial
16 sweeteners in combination with chocolate, fruits, nuts or other
17 ingredients or flavorings in the form of bars, drops, or
18 pieces. "Candy" does not include any preparation that contains
19 flour or requires refrigeration.

20 Notwithstanding any other provisions of this Act,
21 beginning September 1, 2009, "nonprescription medicines and
22 drugs" does not include grooming and hygiene products. For
23 purposes of this Section, "grooming and hygiene products"
24 includes, but is not limited to, soaps and cleaning solutions,
25 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
26 lotions and screens, unless those products are available by

1 prescription only, regardless of whether the products meet the
2 definition of "over-the-counter-drugs". For the purposes of
3 this paragraph, "over-the-counter-drug" means a drug for human
4 use that contains a label that identifies the product as a drug
5 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
6 label includes:

7 (A) A "Drug Facts" panel; or

8 (B) A statement of the "active ingredient(s)" with a
9 list of those ingredients contained in the compound,
10 substance or preparation.

11 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
12 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10; 97-38,
13 eff. 6-28-11; 97-227, eff. 1-1-12; revised 9-12-11.)

14 (Text of Section after amendment by P.A. 97-636)

15 Sec. 3-10. Rate of tax. Unless otherwise provided in this
16 Section, the tax imposed by this Act is at the rate of 6.25% of
17 the "selling price", as defined in Section 2 of the Service Use
18 Tax Act, of the tangible personal property. For the purpose of
19 computing this tax, in no event shall the "selling price" be
20 less than the cost price to the serviceman of the tangible
21 personal property transferred. The selling price of each item
22 of tangible personal property transferred as an incident of a
23 sale of service may be shown as a distinct and separate item on
24 the serviceman's billing to the service customer. If the
25 selling price is not so shown, the selling price of the

1 tangible personal property is deemed to be 50% of the
2 serviceman's entire billing to the service customer. When,
3 however, a serviceman contracts to design, develop, and produce
4 special order machinery or equipment, the tax imposed by this
5 Act shall be based on the serviceman's cost price of the
6 tangible personal property transferred incident to the
7 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 of
11 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, the
13 tax imposed by this Act shall apply to (i) 70% of the cost
14 price of property transferred as an incident to the sale of
15 service on or after January 1, 1990, and before July 1, 2003,
16 (ii) 80% of the selling price of property transferred as an
17 incident to the sale of service on or after July 1, 2003 and on
18 or before June 30, 2012 ~~December 31, 2018~~, (iii) 90% of the
19 selling price of property transferred as an incident to the
20 sale of service on or after July 1, 2012, and on or before
21 December 31, 2018, and (iv) ~~(iii)~~ 100% of the cost price
22 thereafter. If, at any time, however, the tax under this Act on
23 sales of gasohol, as defined in the Use Tax Act, is imposed at
24 the rate of 1.25%, then the tax imposed by this Act applies to
25 100% of the proceeds of sales of gasohol made during that time.

26 With respect to E20 blended ethanol fuel, as defined in the

1 Use Tax Act, the tax imposed by this Act applies to (i) 80% of
2 the selling price of property transferred as an incident to the
3 sale of service on or after July 1, 2012 and on or before
4 December 31, 2018 and (ii) 100% of the selling price
5 thereafter. If, at any time, however, the tax under this Act on
6 sales of E20 blended ethanol fuel is imposed at the rate of
7 1.25%, then the tax imposed by this Act applies to 100% of the
8 proceeds of sales of E20 blended ethanol fuel made during that
9 time.

10 With respect to E30 blended ethanol fuel, as defined in the
11 Use Tax Act, the tax imposed by this Act applies to (i) 60% of
12 the selling price of property transferred as an incident to the
13 sale of service on or after July 1, 2012 and on or before
14 December 31, 2018 and (ii) 100% of the selling price
15 thereafter. If, at any time, however, the tax under this Act on
16 sales of E30 blended ethanol fuel is imposed at the rate of
17 1.25%, then the tax imposed by this Act applies to 100% of the
18 proceeds of sales of E30 blended ethanol fuel made during that
19 time.

20 With respect to majority blended ethanol fuel, as defined
21 in the Use Tax Act, the tax imposed by this Act does not apply
22 to the selling price of property transferred as an incident to
23 the sale of service on or after July 1, 2003 and on or before
24 December 31, 2018 but applies to 100% of the selling price
25 thereafter.

26 With respect to biodiesel blends, as defined in the Use Tax

1 Act, with no less than 1% and no more than 10% biodiesel, the
2 tax imposed by this Act applies to (i) 80% of the selling price
3 of property transferred as an incident to the sale of service
4 on or after July 1, 2003 and on or before December 31, 2018 and
5 (ii) 100% of the proceeds of the selling price thereafter. If,
6 at any time, however, the tax under this Act on sales of
7 biodiesel blends, as defined in the Use Tax Act, with no less
8 than 1% and no more than 10% biodiesel is imposed at the rate
9 of 1.25%, then the tax imposed by this Act applies to 100% of
10 the proceeds of sales of biodiesel blends with no less than 1%
11 and no more than 10% biodiesel made during that time.

12 With respect to 100% biodiesel, as defined in the Use Tax
13 Act, and biodiesel blends, as defined in the Use Tax Act, with
14 more than 10% but no more than 99% biodiesel material, the tax
15 imposed by this Act does not apply to the proceeds of the
16 selling price of property transferred as an incident to the
17 sale of service on or after July 1, 2003 and on or before
18 December 31, 2018 but applies to 100% of the selling price
19 thereafter.

20 At the election of any registered serviceman made for each
21 fiscal year, sales of service in which the aggregate annual
22 cost price of tangible personal property transferred as an
23 incident to the sales of service is less than 35%, or 75% in
24 the case of servicemen transferring prescription drugs or
25 servicemen engaged in graphic arts production, of the aggregate
26 annual total gross receipts from all sales of service, the tax

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

4 The tax shall be imposed at the rate of 1% on food prepared
5 for immediate consumption and transferred incident to a sale of
6 service subject to this Act or the Service Occupation Tax Act
7 by an entity licensed under the Hospital Licensing Act, the
8 Nursing Home Care Act, the ID/DD Community Care Act, the
9 Specialized Mental Health Rehabilitation Act, or the Child Care
10 Act of 1969. The tax shall also be imposed at the rate of 1% on
11 food for human consumption that is to be consumed off the
12 premises where it is sold (other than alcoholic beverages, soft
13 drinks, and food that has been prepared for immediate
14 consumption and is not otherwise included in this paragraph)
15 and prescription and nonprescription medicines, drugs, medical
16 appliances, modifications to a motor vehicle for the purpose of
17 rendering it usable by a disabled person, and insulin, urine
18 testing materials, syringes, and needles used by diabetics, for
19 human use. For the purposes of this Section, until September 1,
20 2009: the term "soft drinks" means any complete, finished,
21 ready-to-use, non-alcoholic drink, whether carbonated or not,
22 including but not limited to soda water, cola, fruit juice,
23 vegetable juice, carbonated water, and all other preparations
24 commonly known as soft drinks of whatever kind or description
25 that are contained in any closed or sealed can, carton, or
26 container, regardless of size; but "soft drinks" does not

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

5 Notwithstanding any other provisions of this Act,
6 beginning September 1, 2009, "soft drinks" means non-alcoholic
7 beverages that contain natural or artificial sweeteners. "Soft
8 drinks" do not include beverages that contain milk or milk
9 products, soy, rice or similar milk substitutes, or greater
10 than 50% of vegetable or fruit juice by volume.

11 Until August 1, 2009, and notwithstanding any other
12 provisions of this Act, "food for human consumption that is to
13 be consumed off the premises where it is sold" includes all
14 food sold through a vending machine, except soft drinks and
15 food products that are dispensed hot from a vending machine,
16 regardless of the location of the vending machine. Beginning
17 August 1, 2009, and notwithstanding any other provisions of
18 this Act, "food for human consumption that is to be consumed
19 off the premises where it is sold" includes all food sold
20 through a vending machine, except soft drinks, candy, and food
21 products that are dispensed hot from a vending machine,
22 regardless of the location of the vending machine.

23 Notwithstanding any other provisions of this Act,
24 beginning September 1, 2009, "food for human consumption that
25 is to be consumed off the premises where it is sold" does not
26 include candy. For purposes of this Section, "candy" means a

1 preparation of sugar, honey, or other natural or artificial
2 sweeteners in combination with chocolate, fruits, nuts or other
3 ingredients or flavorings in the form of bars, drops, or
4 pieces. "Candy" does not include any preparation that contains
5 flour or requires refrigeration.

6 Notwithstanding any other provisions of this Act,
7 beginning September 1, 2009, "nonprescription medicines and
8 drugs" does not include grooming and hygiene products. For
9 purposes of this Section, "grooming and hygiene products"
10 includes, but is not limited to, soaps and cleaning solutions,
11 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
12 lotions and screens, unless those products are available by
13 prescription only, regardless of whether the products meet the
14 definition of "over-the-counter-drugs". For the purposes of
15 this paragraph, "over-the-counter-drug" means a drug for human
16 use that contains a label that identifies the product as a drug
17 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
18 label includes:

19 (A) A "Drug Facts" panel; or

20 (B) A statement of the "active ingredient(s)" with a
21 list of those ingredients contained in the compound,
22 substance or preparation.

23 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
24 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10; 97-38,
25 eff. 6-28-11; 97-227, eff. 1-1-12; 97-636, eff. 6-1-12.)

1 Section 25. The Retailers' Occupation Tax Act is amended by
2 changing Section 2-10 as follows:

3 (35 ILCS 120/2-10)

4 (Text of Section before amendment by P.A. 97-636)

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

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

13 Beginning on August 6, 2010 through August 15, 2010, with
14 respect to sales tax holiday items as defined in Section 2-8 of
15 this Act, the tax is imposed at the rate of 1.25%.

16 Within 14 days after the effective date of this amendatory
17 Act of the 91st General Assembly, each retailer of motor fuel
18 and gasohol shall cause the following notice to be posted in a
19 prominently visible place on each retail dispensing device that
20 is used to dispense motor fuel or gasohol in the State of
21 Illinois: "As of July 1, 2000, the State of Illinois has
22 eliminated the State's share of sales tax on motor fuel and
23 gasohol through December 31, 2000. The price on this pump
24 should reflect the elimination of the tax." The notice shall be
25 printed in bold print on a sign that is no smaller than 4

1 inches by 8 inches. The sign shall be clearly visible to
2 customers. Any retailer who fails to post or maintain a
3 required sign through December 31, 2000 is guilty of a petty
4 offense for which the fine shall be \$500 per day per each
5 retail premises where a violation occurs.

6 With respect to gasohol, as defined in the Use Tax Act, the
7 tax imposed by this Act applies to (i) 70% of the proceeds of
8 sales made on or after January 1, 1990, and before July 1,
9 2003, (ii) 80% of the proceeds of sales made on or after July
10 1, 2003 and on or before June 30, 2012 ~~December 31, 2013~~, (iii)
11 90% of the proceeds of sales made on or after July 1, 2012 and
12 on or before December 31, 2018, and (iv) ~~(iii)~~ 100% of the
13 proceeds of sales made thereafter. If, at any time, however,
14 the tax under this Act on sales of gasohol, as defined in the
15 Use Tax Act, is imposed at the rate of 1.25%, then the tax
16 imposed by this Act applies to 100% of the proceeds of sales of
17 gasohol made during that time.

18 With respect to E20 blended ethanol fuel, as defined in the
19 Use Tax Act, the tax imposed by this Act applies to (i) 80% of
20 the proceeds of sales made on or after July 1, 2012 and on or
21 before December 31, 2018 and (ii) 100% of the proceeds of sales
22 made thereafter. If, at any time, however, the tax under this
23 Act on sales of E20 blended ethanol fuel is imposed at the rate
24 of 1.25%, then the tax imposed by this Act applies to 100% of
25 the proceeds of sales of E20 blended ethanol fuel made during
26 that time.

1 With respect to E30 blended ethanol fuel, as defined in the
2 Use Tax Act, the tax imposed by this Act applies to (i) 60% of
3 the proceeds of sales made on or after July 1, 2012 and on or
4 before December 31, 2018 and (ii) 100% of the proceeds of sales
5 made thereafter. If, at any time, however, the tax under this
6 Act on sales of E30 blended ethanol fuel is imposed at the rate
7 of 1.25%, then the tax imposed by this Act applies to 100% of
8 the proceeds of sales of E30 blended ethanol fuel made during
9 that time.

10 With respect to majority blended ethanol fuel, as defined
11 in the Use Tax Act, the tax imposed by this Act does not apply
12 to the proceeds of sales made on or after July 1, 2003 and on or
13 before December 31, 2018 ~~December 31, 2013~~ but applies to 100%
14 of the proceeds of sales made thereafter.

15 With respect to biodiesel blends, as defined in the Use Tax
16 Act, with no less than 1% and no more than 10% biodiesel, the
17 tax imposed by this Act applies to (i) 80% of the proceeds of
18 sales made on or after July 1, 2003 and on or before December
19 31, 2013 and (ii) 100% of the proceeds of sales made
20 thereafter. If, at any time, however, the tax under this Act on
21 sales of biodiesel blends, as defined in the Use Tax Act, with
22 no less than 1% and no more than 10% biodiesel is imposed at
23 the rate of 1.25%, then the tax imposed by this Act applies to
24 100% of the proceeds of sales of biodiesel blends with no less
25 than 1% and no more than 10% biodiesel made during that time.

26 With respect to 100% biodiesel, as defined in the Use Tax

1 Act, and biodiesel blends, as defined in the Use Tax Act, with
2 more than 10% but no more than 99% biodiesel, the tax imposed
3 by this Act does not apply to the proceeds of sales made on or
4 after July 1, 2003 and on or before December 31, 2013 but
5 applies to 100% of the proceeds of sales made thereafter.

6 With respect to food for human consumption that is to be
7 consumed off the premises where it is sold (other than
8 alcoholic beverages, soft drinks, and food that has been
9 prepared for immediate consumption) and prescription and
10 nonprescription medicines, drugs, medical appliances,
11 modifications to a motor vehicle for the purpose of rendering
12 it usable by a disabled person, and insulin, urine testing
13 materials, syringes, and needles used by diabetics, for human
14 use, the tax is imposed at the rate of 1%. For the purposes of
15 this Section, until September 1, 2009: the term "soft drinks"
16 means any complete, finished, ready-to-use, non-alcoholic
17 drink, whether carbonated or not, including but not limited to
18 soda water, cola, fruit juice, vegetable juice, carbonated
19 water, and all other preparations commonly known as soft drinks
20 of whatever kind or description that are contained in any
21 closed or sealed bottle, can, carton, or container, regardless
22 of size; but "soft drinks" does not include coffee, tea,
23 non-carbonated water, infant formula, milk or milk products as
24 defined in the Grade A Pasteurized Milk and Milk Products Act,
25 or drinks containing 50% or more natural fruit or vegetable
26 juice.

1 Notwithstanding any other provisions of this Act,
2 beginning September 1, 2009, "soft drinks" means non-alcoholic
3 beverages that contain natural or artificial sweeteners. "Soft
4 drinks" do not include beverages that contain milk or milk
5 products, soy, rice or similar milk substitutes, or greater
6 than 50% of vegetable or fruit juice by volume.

7 Until August 1, 2009, and notwithstanding any other
8 provisions of this Act, "food for human consumption that is to
9 be consumed off the premises where it is sold" includes all
10 food sold through a vending machine, except soft drinks and
11 food products that are dispensed hot from a vending machine,
12 regardless of the location of the vending machine. Beginning
13 August 1, 2009, and notwithstanding any other provisions of
14 this Act, "food for human consumption that is to be consumed
15 off the premises where it is sold" includes all food sold
16 through a vending machine, except soft drinks, candy, and food
17 products that are dispensed hot from a vending machine,
18 regardless of the location of the vending machine.

19 Notwithstanding any other provisions of this Act,
20 beginning September 1, 2009, "food for human consumption that
21 is to be consumed off the premises where it is sold" does not
22 include candy. For purposes of this Section, "candy" means a
23 preparation of sugar, honey, or other natural or artificial
24 sweeteners in combination with chocolate, fruits, nuts or other
25 ingredients or flavorings in the form of bars, drops, or
26 pieces. "Candy" does not include any preparation that contains

1 flour or requires refrigeration.

2 Notwithstanding any other provisions of this Act,
3 beginning September 1, 2009, "nonprescription medicines and
4 drugs" does not include grooming and hygiene products. For
5 purposes of this Section, "grooming and hygiene products"
6 includes, but is not limited to, soaps and cleaning solutions,
7 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
8 lotions and screens, unless those products are available by
9 prescription only, regardless of whether the products meet the
10 definition of "over-the-counter-drugs". For the purposes of
11 this paragraph, "over-the-counter-drug" means a drug for human
12 use that contains a label that identifies the product as a drug
13 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
14 label includes:

15 (A) A "Drug Facts" panel; or

16 (B) A statement of the "active ingredient(s)" with a
17 list of those ingredients contained in the compound,
18 substance or preparation.

19 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
20 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10.)

21 (Text of Section after amendment by P.A. 97-636)

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

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

5 Beginning on August 6, 2010 through August 15, 2010, with
6 respect to sales tax holiday items as defined in Section 2-8 of
7 this Act, the tax is imposed at the rate of 1.25%.

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

23 With respect to gasohol, as defined in the Use Tax Act, the
24 tax imposed by this Act applies to (i) 70% of the proceeds of
25 sales made on or after January 1, 1990, and before July 1,
26 2003, (ii) 80% of the proceeds of sales made on or after July

1 1, 2003 and on or before June 30, 2012 ~~December 31, 2018~~, (iii)
2 90% of the proceeds of sales made on or after July 1, 2012 and
3 on or before December 31, 2018, and (iv) ~~(iii)~~ 100% of the
4 proceeds of sales made thereafter. If, at any time, however,
5 the tax under this Act on sales of gasohol, as defined in the
6 Use Tax Act, is imposed at the rate of 1.25%, then the tax
7 imposed by this Act applies to 100% of the proceeds of sales of
8 gasohol made during that time.

9 With respect to E20 blended ethanol fuel, as defined in the
10 Use Tax Act, the tax imposed by this Act applies to (i) 80% of
11 the proceeds of sales made on or after July 1, 2012 and on or
12 before December 31, 2018 and (ii) 100% of the proceeds of sales
13 made thereafter. If, at any time, however, the tax under this
14 Act on sales of E20 blended ethanol fuel is imposed at the rate
15 of 1.25%, then the tax imposed by this Act applies to 100% of
16 the proceeds of sales of E20 blended ethanol fuel made during
17 that time.

18 With respect to E30 blended ethanol fuel, as defined in the
19 Use Tax Act, the tax imposed by this Act applies to (i) 60% of
20 the proceeds of sales made on or after July 1, 2012 and on or
21 before December 31, 2018 and (ii) 100% of the proceeds of sales
22 made thereafter. If, at any time, however, the tax under this
23 Act on sales of E30 blended ethanol fuel is imposed at the rate
24 of 1.25%, then the tax imposed by this Act applies to 100% of
25 the proceeds of sales of E30 blended ethanol fuel made during
26 that time.

1 With respect to majority blended ethanol fuel, as defined
2 in the Use Tax Act, the tax imposed by this Act does not apply
3 to the proceeds of sales made on or after July 1, 2003 and on or
4 before December 31, 2018 but applies to 100% of the proceeds of
5 sales made thereafter.

6 With respect to biodiesel blends, as defined in the Use Tax
7 Act, with no less than 1% and no more than 10% biodiesel, the
8 tax imposed by this Act applies to (i) 80% of the proceeds of
9 sales made on or after July 1, 2003 and on or before December
10 31, 2018 and (ii) 100% of the proceeds of sales made
11 thereafter. If, at any time, however, the tax under this Act on
12 sales of biodiesel blends, as defined in the Use Tax Act, with
13 no less than 1% and no more than 10% biodiesel is imposed at
14 the rate of 1.25%, then the tax imposed by this Act applies to
15 100% of the proceeds of sales of biodiesel blends with no less
16 than 1% and no more than 10% biodiesel made during that time.

17 With respect to 100% biodiesel, as defined in the Use Tax
18 Act, and biodiesel blends, as defined in the Use Tax Act, with
19 more than 10% but no more than 99% biodiesel, the tax imposed
20 by this Act does not apply to the proceeds of sales made on or
21 after July 1, 2003 and on or before December 31, 2018 but
22 applies to 100% of the proceeds of sales made thereafter.

23 With respect to food for human consumption that is to be
24 consumed off the premises where it is sold (other than
25 alcoholic beverages, soft drinks, and food that has been
26 prepared for immediate consumption) and prescription and

1 nonprescription medicines, drugs, medical appliances,
2 modifications to a motor vehicle for the purpose of rendering
3 it usable by a disabled person, and insulin, urine testing
4 materials, syringes, and needles used by diabetics, for human
5 use, the tax is imposed at the rate of 1%. For the purposes of
6 this Section, until September 1, 2009: the term "soft drinks"
7 means any complete, finished, ready-to-use, non-alcoholic
8 drink, whether carbonated or not, including but not limited to
9 soda water, cola, fruit juice, vegetable juice, carbonated
10 water, and all other preparations commonly known as soft drinks
11 of whatever kind or description that are contained in any
12 closed or sealed bottle, can, carton, or container, regardless
13 of size; but "soft drinks" does not include coffee, tea,
14 non-carbonated water, infant formula, milk or milk products as
15 defined in the Grade A Pasteurized Milk and Milk Products Act,
16 or drinks containing 50% or more natural fruit or vegetable
17 juice.

18 Notwithstanding any other provisions of this Act,
19 beginning September 1, 2009, "soft drinks" means non-alcoholic
20 beverages that contain natural or artificial sweeteners. "Soft
21 drinks" do not include beverages that contain milk or milk
22 products, soy, rice or similar milk substitutes, or greater
23 than 50% of vegetable or fruit juice by volume.

24 Until August 1, 2009, and notwithstanding any other
25 provisions of this Act, "food for human consumption that is to
26 be consumed off the premises where it is sold" includes all

1 food sold through a vending machine, except soft drinks and
2 food products that are dispensed hot from a vending machine,
3 regardless of the location of the vending machine. Beginning
4 August 1, 2009, and notwithstanding any other provisions of
5 this Act, "food for human consumption that is to be consumed
6 off the premises where it is sold" includes all food sold
7 through a vending machine, except soft drinks, candy, and food
8 products that are dispensed hot from a vending machine,
9 regardless of the location of the vending machine.

10 Notwithstanding any other provisions of this Act,
11 beginning September 1, 2009, "food for human consumption that
12 is to be consumed off the premises where it is sold" does not
13 include candy. For purposes of this Section, "candy" means a
14 preparation of sugar, honey, or other natural or artificial
15 sweeteners in combination with chocolate, fruits, nuts or other
16 ingredients or flavorings in the form of bars, drops, or
17 pieces. "Candy" does not include any preparation that contains
18 flour or requires refrigeration.

19 Notwithstanding any other provisions of this Act,
20 beginning September 1, 2009, "nonprescription medicines and
21 drugs" does not include grooming and hygiene products. For
22 purposes of this Section, "grooming and hygiene products"
23 includes, but is not limited to, soaps and cleaning solutions,
24 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
25 lotions and screens, unless those products are available by
26 prescription only, regardless of whether the products meet the

1 definition of "over-the-counter-drugs". For the purposes of
2 this paragraph, "over-the-counter-drug" means a drug for human
3 use that contains a label that identifies the product as a drug
4 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
5 label includes:

6 (A) A "Drug Facts" panel; or

7 (B) A statement of the "active ingredient(s)" with a
8 list of those ingredients contained in the compound,
9 substance or preparation.

10 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
11 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10;
12 97-636, eff. 6-1-12.)

13 Section 95. No acceleration or delay. Where this Act makes
14 changes in a statute that is represented in this Act by text
15 that is not yet or no longer in effect (for example, a Section
16 represented by multiple versions), the use of that text does
17 not accelerate or delay the taking effect of (i) the changes
18 made by this Act or (ii) provisions derived from any other
19 Public Act.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.