



Sen. William E. Brady

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LRB098 05107 HLH 43109 a

1 AMENDMENT TO SENATE BILL 52

2 AMENDMENT NO. _____. Amend Senate Bill 52 by replacing
3 everything after the enacting clause with the following:

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

1 retrofitting a plant that has annual production capacity of
2 no less than 5,000,000 gallons of renewable fuel per year;
3 and

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

6 (b) Grant applications must be made on forms provided by
7 and in accordance with procedures established by the
8 Department.

9 (c) The Department must give preference to applicants that
10 use Illinois agricultural products in the production of
11 renewable fuel at the plant for which the grant is being
12 requested.

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

14 (20 ILCS 689/20)

15 Sec. 20. Grants. Subject to appropriation, the Director is
16 authorized to award grants to eligible applicants for the
17 following programs.

18 (1) Next generation ethanol/renewable fuels. Eligible
19 next generation ethanol/renewable fuel projects include
20 those renewable fuel facilities installing new
21 technologies to reduce water and energy usage as well as
22 technologies to reduce greenhouse gas emissions. Projects
23 that will result in more efficient processes, new
24 co-products, fuels and chemicals are also eligible for
25 funding. The annual aggregate amount of grants awarded

1 under this item (1) for next generation ethanol/renewable
2 fuel projects shall not exceed \$15,000,000.

3 (2) Majority blended ethanol and blender pump
4 infrastructure program. The Department shall establish a
5 grant program to provide funds for the installation of
6 majority blended ethanol and blender pump fueling
7 facilities. The annual aggregate amount of grants awarded
8 under this item (2) shall not exceed \$5,000,000.

9 (3) Research and development program for sustainable
10 corn production and corn-based renewable fuel production.
11 The Department shall establish a grant program to provide
12 funds for research and development projects to reduce the
13 carbon footprint of corn based renewable fuels through new
14 co-products, new process technologies, and new fuels. The
15 Department shall also establish a grant program to fund
16 research on increasing the sustainability of corn
17 production through better nitrogen utilization, new best
18 management practices for improved soil health, water
19 conservation, and reduced environmental concerns. Eligible
20 projects include those that will increase corn
21 productivity with lower inputs and less risk. The annual
22 aggregate amount of grants awarded under this item (3)
23 shall not exceed \$5,000,000.

24 ~~The annual aggregate amount of grants awarded shall not exceed~~
25 ~~\$20,000,000, except that this amount does not include amounts,~~
26 ~~up to \$4,000,000 per grant, that may be awarded to each~~

1 ~~eligible applicant who installs advanced technologies for~~
2 ~~water usage, carbon footprint reduction, and other blending~~
3 ~~improvements designed to optimize processes at the applicant's~~
4 ~~renewable fuels facility.~~

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

6 Section 10. The Use Tax Act is amended by changing Sections
7 3-10 and 3-44 and by adding Sections 3-44.6, 3-44.7, and 3-44.8
8 as follows:

9 (35 ILCS 105/3-10)

10 Sec. 3-10. Rate of tax. Unless otherwise provided in this
11 Section, the tax imposed by this Act is at the rate of 6.25% of
12 either the selling price or the fair market value, if any, of
13 the tangible personal property. In all cases where property
14 functionally used or consumed is the same as the property that
15 was purchased at retail, then the tax is imposed on the selling
16 price of the property. In all cases where property functionally
17 used or consumed is a by-product or waste product that has been
18 refined, manufactured, or produced from property purchased at
19 retail, then the tax is imposed on the lower of the fair market
20 value, if any, of the specific property so used in this State
21 or on the selling price of the property purchased at retail.
22 For purposes of this Section "fair market value" means the
23 price at which property would change hands between a willing
24 buyer and a willing seller, neither being under any compulsion

1 to buy or sell and both having reasonable knowledge of the
2 relevant facts. The fair market value shall be established by
3 Illinois sales by the taxpayer of the same property as that
4 functionally used or consumed, or if there are no such sales by
5 the taxpayer, then comparable sales or purchases of property of
6 like kind and character in Illinois.

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

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

14 With respect to gasohol, the tax imposed by this Act
15 applies to (i) 70% of the proceeds of sales made on or after
16 January 1, 1990, and before July 1, 2003, (ii) 80% of the
17 proceeds of sales made on or after July 1, 2003 and on or
18 before December 31, 2018, and (iii) 100% of the proceeds of
19 sales made thereafter. If, at any time, however, the tax under
20 this Act on sales of gasohol is imposed at the rate of 1.25%,
21 then the tax imposed by this Act applies to 100% of the
22 proceeds of sales of gasohol made during that time.

23 With respect to E15 and E20 blended ethanol fuel, the tax
24 imposed by this Act applies to (i) 80% of the proceeds of sales
25 made on or after July 1, 2013 and on or before December 31,
26 2020 and (ii) 100% of the proceeds of sales made thereafter.

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, 2013 and on or before December 31, 2020 and
4 (ii) 100% of the proceeds of sales made thereafter.

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

10 With respect to biodiesel blends with no less than 1% and
11 no more than 10% biodiesel, the tax imposed by this Act applies
12 to (i) 80% of the proceeds of sales made on or after July 1,
13 2003 and on or before December 31, 2018 and (ii) 100% of the
14 proceeds of sales made thereafter. If, at any time, however,
15 the tax under this Act on sales of biodiesel blends with no
16 less than 1% and no more than 10% biodiesel is imposed at the
17 rate of 1.25%, then the tax imposed by this Act applies to 100%
18 of the proceeds of sales of biodiesel blends with no less than
19 1% and no more than 10% biodiesel made during that time.

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

25 With respect to food for human consumption that is to be
26 consumed off the premises where it is sold (other than

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

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

26 Until August 1, 2009, and notwithstanding any other

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

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

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

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

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

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

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

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 97-636, eff. 6-1-12.)

22 (35 ILCS 105/3-44)

23 Sec. 3-44. Majority blended ethanol fuel. "Majority
24 blended ethanol fuel" means motor fuel that (i) contains not
25 less than 51% and no more than 83% by volume ethanol, as

1 specified in ASTM Standard DS798-11 and (ii) is capable of
2 being used in the operation of flexible fuel vehicles. 70% and
3 ~~no more than 90% denatured ethanol and no less than 10% and no~~
4 ~~more than 30% gasoline.~~

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

6 (35 ILCS 105/3-44.6 new)

7 Sec. 3-44.6. E15 blended ethanol fuel. "E15 blended ethanol
8 fuel" means a blend of 15% denatured ethanol, ASTM Standard D
9 4806, and 85% gasoline for use in flexible fuel vehicles.

10 (35 ILCS 105/3-44.7 new)

11 Sec. 3-44.7. E20 blended ethanol fuel. "E20 blended ethanol
12 fuel" means a blend of 20% denatured ethanol, ASTM Standard D
13 4806, and 80% gasoline for use in flexible fuel vehicles.

14 (35 ILCS 105/3-44.8 new)

15 Sec. 3-44.8. E30 blended ethanol fuel. "E30 blended ethanol
16 fuel" means a blend of 30% denatured ethanol, ASTM Standard D
17 4806, and 70% gasoline for use in flexible fuel vehicles.

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

20 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

21 Sec. 3-10. Rate of tax. Unless otherwise provided in this

1 Section, the tax imposed by this Act is at the rate of 6.25% of
2 the selling price of tangible personal property transferred as
3 an incident to the sale of service, but, for the purpose of
4 computing this tax, in no event shall the selling price be less
5 than the cost price of the property to the serviceman.

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

10 With respect to gasohol, as defined in the Use Tax Act, the
11 tax imposed by this Act applies to (i) 70% of the selling price
12 of property transferred as an incident to the sale of service
13 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
14 of 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, and (iii) 100% of the selling price
17 thereafter. If, at any time, however, the tax under this Act on
18 sales of gasohol, as defined in the Use Tax Act, is imposed at
19 the rate of 1.25%, then the tax imposed by this Act applies to
20 100% of the proceeds of sales of gasohol made during that time.

21 With respect to E15 and E20 blended ethanol fuel, as
22 defined in the Use Tax Act, the tax imposed by this Act applies
23 to (i) 80% of the selling price of property transferred as an
24 incident to the sale of service on or after July 1, 2013 and on
25 or before December 31, 2020 and (ii) 100% of the selling price
26 thereafter.

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 selling price of property transferred as an incident to the
4 sale of service on or after July 1, 2013 and on or before
5 December 31, 2020 and (ii) 100% of the selling price
6 thereafter.

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

13 With respect to biodiesel blends, as defined in the Use Tax
14 Act, with no less than 1% and no more than 10% biodiesel, the
15 tax imposed by this Act applies to (i) 80% of the selling price
16 of property transferred as an incident to the sale of service
17 on or after July 1, 2003 and on or before December 31, 2018 and
18 (ii) 100% of the proceeds of the selling price thereafter. If,
19 at any time, however, the tax under this Act on sales of
20 biodiesel blends, as defined in the Use Tax Act, with no less
21 than 1% and no more than 10% biodiesel is imposed at the rate
22 of 1.25%, then the tax imposed by this Act applies to 100% of
23 the proceeds of sales of biodiesel blends with no less than 1%
24 and no more than 10% biodiesel made during that time.

25 With respect to 100% biodiesel, as defined in the Use Tax
26 Act, and biodiesel blends, as defined in the Use Tax Act, with

1 more than 10% but no more than 99% biodiesel, the tax imposed
2 by this Act does not apply to the proceeds 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 but
5 applies to 100% of the selling price thereafter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 Sec. 3-10. Rate of tax. Unless otherwise provided in this
23 Section, the tax imposed by this Act is at the rate of 6.25% of
24 the "selling price", as defined in Section 2 of the Service Use

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

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

20 With respect to gasohol, as defined in the Use Tax Act, the
21 tax imposed by this Act shall apply to (i) 70% of the cost
22 price of property transferred as an incident to the sale of
23 service on or after January 1, 1990, and before July 1, 2003,
24 (ii) 80% of the selling price of property transferred as an
25 incident to the sale of service on or after July 1, 2003 and on
26 or before December 31, 2018, and (iii) 100% of the cost price

1 thereafter. If, at any time, however, the tax under this Act on
2 sales of gasohol, as defined in the Use Tax Act, is imposed at
3 the rate of 1.25%, then the tax imposed by this Act applies to
4 100% of the proceeds of sales of gasohol made during that time.

5 With respect to E15 and E20 blended ethanol fuel, as
6 defined in the Use Tax Act, the tax imposed by this Act applies
7 to (i) 80% of the selling price of property transferred as an
8 incident to the sale of service on or after July 1, 2013 and on
9 or before December 31, 2020 and (ii) 100% of the selling price
10 thereafter.

11 With respect to E30 blended ethanol fuel, as defined in the
12 Use Tax Act, the tax imposed by this Act applies to (i) 60% of
13 the selling price of property transferred as an incident to the
14 sale of service on or after July 1, 2013 and on or before
15 December 31, 2020 and (ii) 100% of the selling price
16 thereafter.

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

23 With respect to biodiesel blends, as defined in the Use Tax
24 Act, with no less than 1% and no more than 10% biodiesel, the
25 tax imposed by this Act applies to (i) 80% of the selling price
26 of property transferred as an incident to the sale of service

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

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

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

1 The tax shall be imposed at the rate of 1% on food prepared
2 for immediate consumption and transferred incident to a sale of
3 service subject to this Act or the Service Occupation Tax Act
4 by an entity licensed under the Hospital Licensing Act, the
5 Nursing Home Care Act, the ID/DD Community Care Act, the
6 Specialized Mental Health Rehabilitation Act, or the Child Care
7 Act of 1969. The tax shall also be imposed at the rate of 1% on
8 food for human consumption that is to be consumed off the
9 premises where it is sold (other than alcoholic beverages, soft
10 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, medical
13 appliances, modifications to a motor vehicle for the purpose of
14 rendering it usable by a disabled person, and insulin, urine
15 testing materials, syringes, and needles used by diabetics, for
16 human use. For the purposes of this Section, until September 1,
17 2009: 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; but "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

1 natural fruit or vegetable juice.

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

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

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

1 pieces. "Candy" does not include any preparation that contains
2 flour or requires refrigeration.

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

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

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

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

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

1 (35 ILCS 120/2-10)

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

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

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

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

1 retail premises where a violation occurs.

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

12 With respect to E15 and E20 blended ethanol fuel, as
13 defined in the Use Tax Act, the tax imposed by this Act applies
14 to (i) 80% of the proceeds of sales made on or after July 1,
15 2013 and on or before December 31, 2020 and (ii) 100% of the
16 proceeds of sales made thereafter.

17 With respect to E30 blended ethanol fuel, as defined in the
18 Use Tax Act, the tax imposed by this Act applies to (i) 60% of
19 the proceeds of sales made on or after July 1, 2013 and on or
20 before December 31, 2020 and (ii) 100% of the proceeds of sales
21 made thereafter.

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

1 With respect to biodiesel blends, as defined in the Use Tax
2 Act, with no less than 1% and no more than 10% biodiesel, the
3 tax imposed by this Act applies to (i) 80% of the proceeds of
4 sales made on or after July 1, 2003 and on or before December
5 31, 2018 and (ii) 100% of the proceeds of sales made
6 thereafter. If, at any time, however, the tax under this Act on
7 sales of biodiesel blends, as defined in the Use Tax Act, with
8 no less than 1% and no more than 10% biodiesel is imposed at
9 the rate of 1.25%, then the tax imposed by this Act applies to
10 100% of the proceeds of sales of biodiesel blends with no less
11 than 1% 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, the tax imposed
15 by this Act does not apply to the proceeds of sales made on or
16 after July 1, 2003 and on or before December 31, 2018 but
17 applies to 100% of the proceeds of sales made thereafter.

18 With respect to food for human consumption that is to be
19 consumed off the premises where it is sold (other than
20 alcoholic beverages, soft drinks, and food that has been
21 prepared for immediate consumption) and prescription and
22 nonprescription medicines, drugs, medical appliances,
23 modifications to a motor vehicle for the purpose of rendering
24 it usable by a disabled person, and insulin, urine testing
25 materials, syringes, and needles used by diabetics, for human
26 use, the tax is imposed at the rate of 1%. For the purposes of

1 this Section, until September 1, 2009: the term "soft drinks"
2 means any complete, finished, ready-to-use, non-alcoholic
3 drink, whether carbonated or not, including but not limited to
4 soda water, cola, fruit juice, vegetable juice, carbonated
5 water, and all other preparations commonly known as soft drinks
6 of whatever kind or description that are contained in any
7 closed or sealed bottle, can, carton, or container, regardless
8 of size; but "soft drinks" does not include coffee, tea,
9 non-carbonated water, infant formula, milk or milk products as
10 defined in the Grade A Pasteurized Milk and Milk Products Act,
11 or drinks containing 50% or more natural fruit or vegetable
12 juice.

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

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

1 off the premises where it is sold" includes all food sold
2 through a vending machine, except soft drinks, candy, and food
3 products that are dispensed hot from a vending machine,
4 regardless of the location of the vending machine.

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

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

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

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

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

8 Section 99. Effective date. This Act takes effect upon
9 becoming law."