

1 AMENDMENT TO SENATE BILL 364

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 364 by replacing  
3 the title with the following:

4 "AN ACT concerning motor fuel."; and

5 by replacing everything after the enacting clause with the  
6 following:

7 "Section 5. The Use Tax Act is amended by changing 3-10  
8 and by adding Sections 3-41 and 3-42 as follows:

9 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

10 Sec. 3-10. Rate of tax. Unless otherwise provided in  
11 this Section, the tax imposed by this Act is at the rate of  
12 6.25% of either the selling price or the fair market value,  
13 if any, of the tangible personal property. In all cases  
14 where property functionally used or consumed is the same as  
15 the property that was purchased at retail, then the tax is  
16 imposed on the selling price of the property. In all cases  
17 where property functionally used or consumed is a by-product  
18 or waste product that has been refined, manufactured, or  
19 produced from property purchased at retail, then the tax is  
20 imposed on the lower of the fair market value, if any, of the  
21 specific property so used in this State or on the selling

1 price of the property purchased at retail. For purposes of  
2 this Section "fair market value" means the price at which  
3 property would change hands between a willing buyer and a  
4 willing seller, neither being under any compulsion to buy or  
5 sell and both having reasonable knowledge of the relevant  
6 facts. The fair market value shall be established by Illinois  
7 sales by the taxpayer of the same property as that  
8 functionally used or consumed, or if there are no such sales  
9 by the taxpayer, then comparable sales or purchases of  
10 property of like kind and character in Illinois.

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

15 With respect to gasohol, the tax imposed by this Act  
16 applies to (i) 70% of the proceeds of sales made on or after  
17 January 1, 1990, and before January 1, 2002, (ii) 75% of the  
18 proceeds of sales made on or after January 1, 2002 and  
19 through December 31, 2005, (iii) 80% of the proceeds of sales  
20 made on or after January 1, 2006 and through December 31,  
21 2010 July-17-2003, and (iv) to 100% of the proceeds of sales  
22 made thereafter. If, at any time, however, the tax under this  
23 Act on sales of gasohol is imposed at the rate of 1.25%, then  
24 the tax imposed by this Act applies to 100% of the proceeds  
25 of sales of gasohol made during that time.

26 With respect to E85 blend fuel, the tax imposed by this  
27 Act does not apply to the proceeds of sales made on or after  
28 January 1, 2002 and through December 31, 2010 but applies to  
29 100% of the proceeds of sales made thereafter. If, at any  
30 time, however, the tax under this Act on sales of E85 blend  
31 fuel is imposed at the rate of 1.25%, then the tax imposed by  
32 this Act applies to 100% of the proceeds of sales of E85  
33 blend fuel made during that time.

34 With respect to bio-diesel blend fuel with no more than

1 10% fuel made from biomass material, the tax imposed by this  
2 Act applies to (i) 75% of the proceeds of sales made on or  
3 after January 1, 2002 and through December 31, 2005, (ii) 80%  
4 of the proceeds of sales made on or after January 1, 2006 and  
5 through December 31, 2010, and (iii) 100% of the proceeds of  
6 sales made thereafter. If, at any time, however, the tax  
7 under this Act on sales of bio-diesel blend fuel with no more  
8 than 10% fuel made from biomass material is imposed at the  
9 rate of 1.25%, then the tax imposed by this Act applies to  
10 100% of the proceeds of sales of bio-diesel blend fuel with  
11 no more than 10% fuel made from biomass material made during  
12 that time.

13 With respect to bio-diesel blend fuel with more than 10%  
14 fuel made from biomass material, the tax imposed by this Act  
15 does not apply the proceeds of sales made on or after January  
16 1, 2002 and through December 31, 2010 but applies to 100% of  
17 the proceeds of sales made thereafter. If, at any time,  
18 however, the tax under this Act on sales of bio-diesel blend  
19 fuel with more than 10% fuel made from biomass material is  
20 imposed at the rate of 1.25%, then the tax imposed by this  
21 Act applies to 100% of the proceeds of sales of bio-diesel  
22 blend fuel with more than 10% fuel made from biomass material  
23 made during that time.

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  
27 prepared for immediate consumption) and prescription and  
28 nonprescription medicines, drugs, medical appliances,  
29 modifications to a motor vehicle for the purpose of rendering  
30 it usable by a disabled person, and insulin, urine testing  
31 materials, syringes, and needles used by diabetics, for human  
32 use, the tax is imposed at the rate of 1%. For the purposes  
33 of this Section, the term "soft drinks" means any complete,  
34 finished, ready-to-use, non-alcoholic drink, whether

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

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

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

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

25 (35 ILCS 105/3-41 new)

26 Sec. 3-41. Bio-diesel blend. "Bio-diesel blend" means  
27 diesel fuel blended with no less than 0.5% and no more than  
28 20% fuel made from biomass material. "Diesel fuel" means any  
29 petroleum product intended for use or offered for sale as a  
30 fuel for engines in which the fuel is injected into the  
31 combustion chamber and ignited by pressure without electric  
32 spark. "Biomass material" includes, but is not limited to,  
33 soybean oil, other vegetable oils, and denatured ethanol.

(35 ILCS 105/3-42 new)

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

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

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

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

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

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act applies to (i) 70% of the selling price of property transferred as an incident to the sale of service on or after January 1, 1990, and before January 1, 2002, (ii) 75% of the selling price of property transferred as an incident to the sale of service on or after January 1, 2002 and through December 31, 2005, (iii) 80% of the selling price of property transferred as an incident to the sale of service on or after January 1, 2006 and through December 31, 2010 ~~July--17--2003~~, and (iv) ~~to~~ 100% of the selling price thereafter. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is

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

4 With respect to E85 blend fuel, as defined in the Use Tax  
5 Act, the tax imposed by this Act does not apply to the  
6 selling price of property transferred as an incident to the  
7 sale of service on or after January 1, 2002 and through  
8 December 31, 2010 but applies to 100% of the selling price  
9 thereafter. If, at any time, however, the tax under this Act  
10 on sales of E85 blend fuel, as defined in the Use Tax Act, is  
11 imposed at the rate of 1.25%, then the tax imposed by this  
12 Act applies to 100% of the proceeds of sales of E85 blend  
13 fuel made during that time.

14 With respect to bio-diesel blend fuel, as defined in the  
15 Use Tax Act, with no more than 10% fuel made from biomass  
16 material, the tax imposed by this Act applies to (i) 75% of  
17 the selling price of property transferred as an incident to  
18 the sale of service on or after January 1, 2002 and through  
19 December 31, 2005, (ii) 80% of the proceeds of the selling  
20 price of property transferred as an incident to the sale of  
21 service on or after January 1, 2006 and through December 31,  
22 2010, and (iii) 100% of the proceeds of the selling price  
23 thereafter. If, at any time, however, the tax under this Act  
24 on sales of bio-diesel blend fuel, as defined in the Use Tax  
25 Act, with no more than 10% fuel made from biomass material is  
26 imposed at the rate of 1.25%, then the tax imposed by this  
27 Act applies to 100% of the proceeds of sales of bio-diesel  
28 blend fuel with no more than 10% fuel made from biomass  
29 material made during that time.

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

1 and through December 31, 2010 but applies to 100% of the  
2 selling price thereafter. If, at any time, however, the tax  
3 under this Act on sales of bio-diesel blend fuel, as defined  
4 in the Use Tax Act, with more than 10% fuel made from biomass  
5 material is imposed at the rate of 1.25%, then the tax  
6 imposed by this Act applies to 100% of the proceeds of sales  
7 of bio-diesel blend fuel with no more than 10% fuel made from  
8 biomass material made during that time.

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

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

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

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

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

24 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
25 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.  
26 7-1-00.)

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

29 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

30 Sec. 3-10. Rate of tax. Unless otherwise provided in  
31 this Section, the tax imposed by this Act is at the rate of  
32 6.25% of the "selling price", as defined in Section 2 of the



1 Service Use Tax Act, of the tangible personal property. For  
2 the purpose of computing this tax, in no event shall the  
3 "selling price" be less than the cost price to the serviceman  
4 of the tangible personal property transferred. The selling  
5 price of each item of tangible personal property transferred  
6 as an incident of a sale of service may be shown as a  
7 distinct and separate item on the serviceman's billing to the  
8 service customer. If the selling price is not so shown, the  
9 selling price of the tangible personal property is deemed to  
10 be 50% of the serviceman's entire billing to the service  
11 customer. When, however, a serviceman contracts to design,  
12 develop, and produce special order machinery or equipment,  
13 the tax imposed by this Act shall be based on the  
14 serviceman's cost price of the tangible personal property  
15 transferred incident to the 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  
19 of 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,  
21 the tax imposed by this Act shall apply to (i) 70% of the  
22 cost price of property transferred as an incident to the sale  
23 of service on or after January 1, 1990, and before January 1,  
24 2002, (ii) 75% of the selling price of property transferred  
25 as an incident to the sale of service on or after January 1,  
26 2002 and through December 31, 2005, (iii) 80% of the selling  
27 price of property transferred as an incident to the sale of  
28 service on or after January 1, 2006 and through December 31,  
29 2010 July--17--2003, and (iv) to 100% of the cost price  
30 thereafter. If, at any time, however, the tax under this Act  
31 on sales of gasohol, as defined in the Use Tax Act, is  
32 imposed at the rate of 1.25%, then the tax imposed by this  
33 Act applies to 100% of the proceeds of sales of gasohol made  
34 during that time.

1       With respect to E85 blend fuel, as defined in the Use Tax  
2 Act, the tax imposed by this Act does not apply to the  
3 selling price of property transferred as an incident to the  
4 sale of service on or after January 1, 2002 and through  
5 December 31, 2010 but applies to 100% of the selling price  
6 thereafter. If, at any time, however, the tax under this Act  
7 on sales of E85 blend fuel, as defined in the Use Tax Act, is  
8 imposed at the rate of 1.25%, then the tax imposed by this  
9 Act applies to 100% of the proceeds of sales of E85 blend  
10 fuel made during that time.

11       With respect to bio-diesel blend fuel, as defined in the  
12 Use Tax Act, with no more than 10% fuel made from biomass  
13 material, the tax imposed by this Act applies to (i) 75% of  
14 the selling price of property transferred as an incident to  
15 the sale of service on or after January 1, 2002 and through  
16 December 31, 2005, (ii) 80% of the proceeds of the selling  
17 price of property transferred as an incident to the sale of  
18 service on or after January 1, 2006 and through December 31,  
19 2010, and (iii) 100% of the proceeds of the selling price  
20 thereafter. If, at any time, however, the tax under this Act  
21 on sales of bio-diesel blend fuel, as defined in the Use Tax  
22 Act, with no more than 10% fuel made from biomass material is  
23 imposed at the rate of 1.25%, then the tax imposed by this  
24 Act applies to 100% of the proceeds of sales of bio-diesel  
25 blend fuel with no more than 10% fuel made from biomass  
26 material made during that time.

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

1 in the Use Tax Act, with more than 10% fuel made from biomass  
2 material is imposed at the rate of 1.25%, then the tax  
3 imposed by this Act applies to 100% of the proceeds of sales  
4 of bio-diesel blend fuel with more than 10% fuel made from  
5 biomass material made during that time.

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

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

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

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

14 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
15 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

16 Section 20. The Retailers' Occupation Tax Act is amended  
17 by changing Section 2-10 and adding Section 2-67 as follows:

18 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

19 Sec. 2-10. Rate of tax. Unless otherwise provided in  
20 this Section, the tax imposed by this Act is at the rate of  
21 6.25% of gross receipts from sales of tangible personal  
22 property made in the course of business.

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

27 Within 14 days after the effective date of this  
28 amendatory Act of the 91st General Assembly, each retailer of  
29 motor fuel and gasohol shall cause the following notice to be  
30 posted in a prominently visible place on each retail  
31 dispensing device that is used to dispense motor fuel or  
32 gasohol in the State of Illinois: "As of July 1, 2000, the

1 State of Illinois has eliminated the State's share of sales  
2 tax on motor fuel and gasohol through December 31, 2000. The  
3 price on this pump should reflect the elimination of the  
4 tax." The notice shall be printed in bold print on a sign  
5 that is no smaller than 4 inches by 8 inches. The sign shall  
6 be clearly visible to customers. Any retailer who fails to  
7 post or maintain a required sign through December 31, 2000 is  
8 guilty of a petty offense for which the fine shall be \$500  
9 per day per each retail premises where a violation occurs.

10 With respect to gasohol, as defined in the Use Tax Act,  
11 the tax imposed by this Act applies to (i) 70% of the  
12 proceeds of sales made on or after January 1, 1990, and  
13 before January 1, 2002, (ii) 75% of the proceeds of sales  
14 made on or after January 1, 2002 and through December 31,  
15 2005, (iii) 80% of the proceeds of sales made on or after  
16 January 1, 2006 and through December 31, 2010 ~~July--17--2003,~~  
17 and (iv) ~~to~~ 100% of the proceeds of sales made thereafter.  
18 If, at any time, however, the tax under this Act on sales of  
19 gasohol, as defined in the Use Tax Act, is imposed at the  
20 rate of 1.25%, then the tax imposed by this Act applies to  
21 100% of the proceeds of sales of gasohol made during that  
22 time.

23 With respect to E85 blend fuel, as defined in the Use Tax  
24 Act, the tax imposed by this Act does not apply to the  
25 proceeds of sales made on or after January 1, 2002 and  
26 through December 31, 2010 but applies to 100% of the proceeds  
27 of sales made thereafter. If, at any time, however, the tax  
28 under this Act on sales of E85 blend fuel, as defined in the  
29 Use Tax Act, is imposed at the rate of 1.25%, then the tax  
30 imposed by this Act applies to 100% of the proceeds of sales  
31 of E85 blend fuel made during that time.

32 With respect to bio-diesel blend fuel, as defined in the  
33 Use Tax Act, with no more than 10% fuel made from biomass  
34 material, the tax imposed by this Act applies to (i) 75% of

1 the proceeds of sales made on or after January 1, 2002 and  
2 through December 31, 2005, (ii) 80% of the proceeds of sales  
3 made on or after January 1, 2006 and through December 31,  
4 2010, and (iii) 100% of the proceeds of sales made  
5 thereafter. If, at any time, however, the tax under this Act  
6 on sales of bio-diesel blend fuel, as defined in the Use Tax  
7 Act, with no more than 10% fuel made from biomass material is  
8 imposed at the rate of 1.25%, then the tax imposed by this  
9 Act applies to 100% of the proceeds of sales of bio-diesel  
10 blend fuel with no more than 10% fuel made from biomass  
11 material made during that time.

12 With respect to bio-diesel blend fuel, as defined in the  
13 Use Tax Act, with more than 10% fuel made from biomass  
14 material, the tax imposed by this Act does not apply to the  
15 proceeds of sales made on or after January 1, 2002 and  
16 through December 31, 2010 but applies to 100% of the proceeds  
17 of sales made thereafter. If, at any time, however, the tax  
18 under this Act on sales of bio-diesel blend fuel, as defined  
19 in the Use Tax Act, with more than 10% fuel made from biomass  
20 material is imposed at the rate of 1.25%, then the tax  
21 imposed by this Act applies to 100% of the proceeds of sales  
22 of bio-diesel blend fuel with more than 10% fuel made from  
23 biomass material made during that time.

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  
27 prepared for immediate consumption) and prescription and  
28 nonprescription medicines, drugs, medical appliances,  
29 modifications to a motor vehicle for the purpose of rendering  
30 it usable by a disabled person, and insulin, urine testing  
31 materials, syringes, and needles used by diabetics, for human  
32 use, the tax is imposed at the rate of 1%. For the purposes  
33 of this Section, the term "soft drinks" means any complete,  
34 finished, ready-to-use, non-alcoholic drink, whether

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

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

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

18 (35 ILCS 120/2-67 new)

19 Sec. 2-67. Fuel credit.

20 (a) If, at any time, the tax under this Act on sales in  
 21 Illinois by an Illinois retailer of gasohol, as defined in  
 22 Section 3-40 of the Use Tax Act, is imposed at the rate of  
 23 1.25%, then the retailer is entitled to a credit against the  
 24 retailer's tax liability under this Act of 2 cents for each  
 25 gallon of gasohol sold by the retailer during that time.  
 26 This Section is exempt from the provisions of Section 2-70.

27 (b) If, at any time, the tax under this Act on sales in  
 28 Illinois by an Illinois retailer of E85 blend fuel, as  
 29 defined in the Use Tax Act, is imposed at the rate of 1.25%,  
 30 then the retailer is entitled to a credit against the  
 31 retailer's tax liability under this Act of 2 cents for each  
 32 gallon of E85 blend fuel sold by the retailer during that  
 33 time. This Section is exempt from the provisions of Section

1 2-70.

2 (c) If, at any time, the tax under this Act on sales in  
3 Illinois by an Illinois retailer of bio-diesel blend fuel, as  
4 defined in the Use Tax Act, with no more than 10% fuel made  
5 from biomass material is imposed at the rate of 1.25%, then  
6 the retailer is entitled to a credit against the retailer's  
7 tax liability under this Act of 2 cents for each gallon of  
8 bio-diesel blend fuel with no more than 10% fuel made from  
9 biomass material sold by the retailer during that time. This  
10 Section is exempt from the provisions of Section 2-70.

11 (d) If, at any time, the tax under this Act on sales in  
12 Illinois by an Illinois retailer of bio-diesel blend fuel, as  
13 defined in the Use Tax Act, with more than 10% fuel made from  
14 biomass material is imposed at the rate of 1.25%, then the  
15 retailer is entitled to a credit against the retailer's tax  
16 liability under this Act of 2 cents for each gallon of  
17 bio-diesel blend fuel with more than 10% fuel made from  
18 biomass material sold by the retailer during that time. This  
19 Section is exempt from the provisions of Section 2-70.

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