

AN ACT concerning revenue.

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

Section 5. The Motor Fuel Tax Law is amended by changing Sections 1.8, 2, 2a, and 5 and by adding Sections 1.8A, 1.8B, and 1.13C as follows:

(35 ILCS 505/1.8) (from Ch. 120, par. 417.8)

Sec. 1.8. "Gallon" means, in addition to its ordinary meaning, its equivalent in a capacity of measurement of substance in a gaseous state. In the case of liquefied natural gas or propane used as motor fuel, "gallon" means a diesel gallon equivalent as defined by Section 1.8A of this Act. In the case of compressed natural gas used as motor fuel, "gallon" means a gasoline gallon equivalent as defined in Section 1.8B of this Act.

(Source: Laws 1961, p. 3653.)

(35 ILCS 505/1.8A new)

Sec. 1.8A. Diesel gallon equivalent. "Diesel gallon equivalent" means an amount of liquefied natural gas or propane that has the equivalent energy content of a gallon of diesel fuel and shall be defined as 6.06 pounds of liquefied natural gas or 6.41 pounds of propane.

(35 ILCS 505/1.8B new)

Sec. 1.8B. Gasoline gallon equivalent. "Gasoline gallon equivalent" means an amount of compressed natural gas that has the equivalent energy content of a gallon of gasoline and shall be defined as 5.660 pounds of compressed natural gas.

(35 ILCS 505/1.13C new)

Sec. 1.13C. Liquefied natural gas. "Liquefied natural gas" means methane or natural gas in the form of a cryogenic or refrigerated liquid for use as a motor fuel.

(35 ILCS 505/2) (from Ch. 120, par. 418)

Sec. 2. A tax is imposed on the privilege of operating motor vehicles upon the public highways and recreational-type watercraft upon the waters of this State.

(a) Prior to August 1, 1989, the tax is imposed at the rate of 13 cents per gallon on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State. Beginning on August 1, 1989 and until January 1, 1990, the rate of the tax imposed in this paragraph shall be 16 cents per gallon. Beginning January 1, 1990, the rate of tax imposed in this paragraph, including the tax on compressed natural gas, shall be 19 cents per gallon.

(b) The tax on the privilege of operating motor vehicles

which use diesel fuel, liquefied natural gas, or propane shall be the rate according to paragraph (a) plus an additional 2 1/2 cents per gallon. "Diesel fuel" is defined as any product intended for use or offered for sale as a fuel for engines in which the fuel is injected into the combustion chamber and ignited by pressure without electric spark.

(c) A tax is imposed upon the privilege of engaging in the business of selling motor fuel as a retailer or reseller on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State: (1) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 A.M. on January 1, 1990.

Retailers and resellers who are subject to this additional tax shall be required to inventory such motor fuel and pay this additional tax in a manner prescribed by the Department of Revenue.

The tax imposed in this paragraph (c) shall be in addition to all other taxes imposed by the State of Illinois or any unit of local government in this State.

(d) Except as provided in Section 2a, the collection of a tax based on gallonage of gasoline used for the propulsion of any aircraft is prohibited on and after October 1, 1979.

(e) The collection of a tax, based on gallonage of all

products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited (i) on and after July 1, 1992 until December 31, 1999, except when the 1-K kerosene is either: (1) delivered into bulk storage facilities of a bulk user, or (2) delivered directly into the fuel supply tanks of motor vehicles and (ii) on and after January 1, 2000. Beginning on January 1, 2000, the collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited except when the 1-K kerosene is delivered directly into a storage tank that is located at a facility that has withdrawal facilities that are readily accessible to and are capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles. For purposes of this subsection (e), a facility is considered to have withdrawal facilities that are not "readily accessible to and capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles" only if the 1-K kerosene is delivered from: (i) a dispenser hose that is short enough so that it will not reach the fuel supply tank of a motor vehicle or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling.

Any person who sells or uses 1-K kerosene for use in motor vehicles upon which the tax imposed by this Law has not been paid shall be liable for any tax due on the sales or use of 1-K

kerosene.

(Source: P.A. 96-1384, eff. 7-29-10.)

(35 ILCS 505/2a) (from Ch. 120, par. 418a)

Sec. 2a. Except as hereinafter provided, on and after January 1, 1990 and before January 1, 2025, a tax of three-tenths of a cent per gallon is imposed upon the privilege of being a receiver in this State of fuel for sale or use.

The tax shall be paid by the receiver in this State who first sells or uses fuel. In the case of a sale, the tax shall be stated as a separate item on the invoice.

For the purpose of the tax imposed by this Section, being a receiver of "motor fuel" as defined by Section 1.1 of this Act, and aviation fuels, home heating oil and kerosene, but excluding liquified petroleum gases, is subject to tax without regard to whether the fuel is intended to be used for operation of motor vehicles on the public highways and waters. However, no such tax shall be imposed upon the importation or receipt of aviation fuels and kerosene at airports with over 300,000 operations per year, for years prior to 1991, and over 170,000 operations per year beginning in 1991, located in a city of more than 1,000,000 inhabitants for sale to or use by holders of certificates of public convenience and necessity or foreign air carrier permits, issued by the United States Department of Transportation, and their air carrier affiliates, or upon the importation or receipt of aviation fuels and kerosene at

facilities owned or leased by those certificate or permit holders and used in their activities at an airport described above. In addition, no such tax shall be imposed upon the importation or receipt of diesel fuel or liquefied natural gas sold to or used by a rail carrier registered pursuant to Section 18c-7201 of the Illinois Vehicle Code or otherwise recognized by the Illinois Commerce Commission as a rail carrier, to the extent used directly in railroad operations. In addition, no such tax shall be imposed when the sale is made with delivery to a purchaser outside this State or when the sale is made to a person holding a valid license as a receiver. In addition, no tax shall be imposed upon diesel fuel or liquefied natural gas consumed or used in the operation of ships, barges, or vessels, that are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering on this State, if the diesel fuel or liquefied natural gas is delivered by a licensed receiver to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river. A specific notation thereof shall be made on the invoices or sales slips covering each sale.

(Source: P.A. 96-161, eff. 8-10-09.)

(35 ILCS 505/5) (from Ch. 120, par. 421)

Sec. 5. Except as hereinafter provided, a person holding a valid unrevoked license to act as a distributor of motor fuel shall, between the 1st and 20th days of each calendar month,

make return to the Department, showing an itemized statement of the number of invoiced gallons of motor fuel of the types specified in this Section which were purchased, acquired, received, or exported during the preceding calendar month; the amount of such motor fuel produced, refined, compounded, manufactured, blended, sold, distributed, exported, and used by the licensed distributor during the preceding calendar month; the amount of such motor fuel lost or destroyed during the preceding calendar month; the amount of such motor fuel on hand at the close of business for such month; and such other reasonable information as the Department may require. If a distributor's only activities with respect to motor fuel are either: (1) production of alcohol in quantities of less than 10,000 proof gallons per year or (2) blending alcohol in quantities of less than 10,000 proof gallons per year which such distributor has produced, he shall file returns on an annual basis with the return for a given year being due by January 20 of the following year. Distributors whose total production of alcohol (whether blended or not) exceeds 10,000 proof gallons per year, based on production during the preceding (calendar) year or as reasonably projected by the Department if one calendar year's record of production cannot be established, shall file returns between the 1st and 20th days of each calendar month as hereinabove provided.

The types of motor fuel referred to in the preceding paragraph are: (A) All products commonly or commercially known

or sold as gasoline (including casing-head and absorption or natural gasoline), gasohol, motor benzol or motor benzene regardless of their classification or uses; and (B) all combustibile gases, not including liquefied natural gas, which exist in a gaseous state at 60 degrees Fahrenheit and at 14.7 pounds per square inch absolute including, but not limited to, liquefied petroleum gases used for highway purposes; and (C) special fuel. Only those quantities of combustibile gases (example (B) above) which are used or sold by the distributor to be used to propel motor vehicles on the public highways, or which are delivered into a storage tank that is located at a facility that has withdrawal facilities which are readily accessible to and are capable of dispensing combustibile gases into the fuel supply tanks of motor vehicles, shall be subject to return. Distributors of liquefied natural gas are not required to make returns under this Section with respect to that liquefied natural gas unless (i) the liquefied natural gas is dispensed into the fuel supply tank of any motor vehicle or (ii) the liquefied natural gas is delivered into a storage tank that is located at a facility that has withdrawal facilities which are readily accessible to and are capable of dispensing liquefied natural gas into the fuel supply tanks of motor vehicles. For purposes of this Section, a facility is considered to have withdrawal facilities that are not "readily accessible to and capable of dispensing combustibile gases into the fuel supply tanks of motor vehicles" only if the

combustible gases or liquefied natural gas are delivered from: (i) a dispenser hose that is short enough so that it will not reach the fuel supply tank of a motor vehicle or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling. For the purposes of this Act, liquefied petroleum gases shall mean and include any material having a vapor pressure not exceeding that allowed for commercial propane composed predominantly of the following hydrocarbons, either by themselves or as mixtures: Propane, Propylene, Butane (normal butane or iso-butane) and Butylene (including isomers).

In case of a sale of special fuel to someone other than a licensed distributor, or a licensed supplier, for a use other than in motor vehicles, the distributor shall show in his return the amount of invoiced gallons sold and the name and address of the purchaser in addition to any other information the Department may require.

All special fuel sold or used for non-highway purposes must have a dye added in accordance with Section 4d of this Law.

In case of a tax-free sale, as provided in Section 6, of motor fuel which the distributor is required by this Section to include in his return to the Department, the distributor in his return shall show: (1) If the sale is made to another licensed distributor the amount sold and the name, address and license number of the purchasing distributor; (2) if the sale is made

to a person where delivery is made outside of this State the name and address of such purchaser and the point of delivery together with the date and amount delivered; (3) if the sale is made to the Federal Government or its instrumentalities the amount sold; (4) if the sale is made to a municipal corporation owning and operating a local transportation system for public service in this State the name and address of such purchaser, and the amount sold, as evidenced by official forms of exemption certificates properly executed and furnished by such purchaser; (5) if the sale is made to a privately owned public utility owning and operating 2-axle vehicles designed and used for transporting more than 7 passengers, which vehicles are used as common carriers in general transportation of passengers, are not devoted to any specialized purpose and are operated entirely within the territorial limits of a single municipality or of any group of contiguous municipalities or in a close radius thereof, and the operations of which are subject to the regulations of the Illinois Commerce Commission, then the name and address of such purchaser and the amount sold as evidenced by official forms of exemption certificates properly executed and furnished by the purchaser; (6) if the product sold is special fuel and if the sale is made to a licensed supplier under conditions which qualify the sale for tax exemption under Section 6 of this Act, the amount sold and the name, address and license number of the purchaser; and (7) if a sale of special fuel is made to someone other than a licensed

distributor, or a licensed supplier, for a use other than in motor vehicles, by making a specific notation thereof on the invoice or sales slip covering such sales and obtaining such supporting documentation as may be required by the Department.

All special fuel sold or used for non-highway purposes must have a dye added in accordance with Section 4d of this Law.

A person whose license to act as a distributor of motor fuel has been revoked shall make a return to the Department covering the period from the date of the last return to the date of the revocation of the license, which return shall be delivered to the Department not later than 10 days from the date of the revocation or termination of the license of such distributor; the return shall in all other respects be subject to the same provisions and conditions as returns by distributors licensed under the provisions of this Act.

The records, waybills and supporting documents kept by railroads and other common carriers in the regular course of business shall be prima facie evidence of the contents and receipt of cars or tanks covered by those records, waybills or supporting documents.

If the Department has reason to believe and does believe that the amount shown on the return as purchased, acquired, received, exported, sold, used, lost or destroyed is incorrect, or that an amount of motor fuel of the types required by the second paragraph of this Section to be reported to the Department has not been correctly reported the Department shall

fix an amount for such receipt, sales, export, use, loss or destruction according to its best judgment and information, which amount so fixed by the Department shall be prima facie correct. All returns shall be made on forms prepared and furnished by the Department, and shall contain such other information as the Department may reasonably require. The return must be accompanied by appropriate computer-generated magnetic media supporting schedule data in the format required by the Department, unless, as provided by rule, the Department grants an exception upon petition of a taxpayer. All licensed distributors shall report all losses of motor fuel sustained on account of fire, theft, spillage, spoilage, leakage, or any other provable cause when filing the return for the period during which the loss occurred. If the distributor reports losses due to fire or theft, then the distributor must include fire department or police department reports and any other documentation that the Department may require. The mere making of the report does not assure the allowance of the loss as a reduction in tax liability. Losses of motor fuel as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of the month, plus the receipts of gallonage during the month, minus the gallonage remaining in storage at the end of the month. Any loss reported that is in excess of 1% shall be subject to the tax imposed by Section 2 of this Law. On and after July 1, 2001, for each 6-month period January through

June, net losses of motor fuel (for each category of motor fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each January, plus the receipts of gallonage each January through June, minus the gallonage remaining in storage at the end of each June. On and after July 1, 2001, for each 6-month period July through December, net losses of motor fuel (for each category of motor fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each July, plus the receipts of gallonage each July through December, minus the gallonage remaining in storage at the end of each December. Any net loss reported that is in excess of this amount shall be subject to the tax imposed by Section 2 of this Law. For purposes of this Section, "net loss" means the number of gallons gained through temperature variations minus the number of gallons lost through temperature variations or evaporation for each of the respective 6-month periods.

(Source: P.A. 96-1384, eff. 7-29-10.)

Section 10. The Weights and Measures Act is amended by changing Sections 2 and 8 as follows:

(225 ILCS 470/2) (from Ch. 147, par. 102)

Sec. 2. Definitions. As used in this Act:

"Person" means both singular and plural as the case demands, and includes individuals, partnerships, corporations, companies, societies and associations.

"Weights and measures" means all weights and measures of every kind, instruments and devices for weighing and measuring, and any appliances and accessories associated with any or all such instruments and devices, including all grain moisture measuring devices, but does not include meters for the measurement of electricity, gas (natural or manufactured) or water operated in a public utility system. These electricity meters, gas meters, and water meters, and their appliances or accessories, and slo flo meters, are specifically excluded from the scope and applicability of this Act.

"Sell" and "sale" includes barter and exchange.

"Director" means the Director of Agriculture.

"Department" means the Department of Agriculture.

"Inspector" means an inspector of weights and measures of this State.

"Sealer" and "deputy sealer" mean, respectively, a sealer of weights and measures and a deputy sealer of weights and measures of a city.

"Intrastate commerce" means any and all commerce or trade that is commenced, conducted and completed wholly within the limits of this State, and the phrase "introduced into intrastate commerce" means the time and place at which the

first sale and delivery being made either directly to the purchaser or to a carrier for shipment to the purchaser.

"Commodity in package form" means a commodity put up or packaged in any manner in advance of sale in units suitable for either wholesale or retail sale, excluding any auxiliary shipping container enclosing packages which individually conform to the requirements of this Act. An individual item or lot of any commodity not in package form as defined in this Section but on which there is marked a selling price based on an established price per unit of weight or of measure shall be deemed a commodity in package form.

"Consumer package" and "package of consumer commodity" mean any commodity in package form that is customarily produced or distributed for sale through retail sales agencies or instrumentalities for consumption by individuals or use by individuals for the purposes of personal care or in the performance of services ordinarily rendered in or about the household or in connection with personal possessions, and which usually is consumed or expended in the course of such consumption or use.

"Nonconsumer package" and "package of nonconsumer commodity" mean any commodity in package form other than a consumer package, and particularly a package designed solely for industrial or institutional use or for wholesale distribution only.

"Certificate of Conformance" means a document issued by the

National Conference on Weights and Measures based on testing in participating laboratories that indicates that the weights and measures or weighing and measuring device conform with the requirements of National Institute of Standards and Technology's Handbooks 44, 105-1, 105-2, 105-3, 105-4, or 105-8 and any subsequent revisions or supplements thereto.

"Prepackage inspection violation" means that the majority of the lots of prepackaged commodities inspected at a single location are found to have one or more packages below the maximum allowable variation as published in the National Institute of Standards and Technology Handbook 133 or the majority of the lots inspected at a single location are found to be below the stated net weight declaration on an average.

"Diesel gallon equivalent" means 6.06 pounds of liquefied natural gas or 6.41 pounds of propane.

"Gasoline gallon equivalent" means 5.660 pounds of compressed natural gas.

(Source: P.A. 96-1333, eff. 7-27-10.)

(225 ILCS 470/8) (from Ch. 147, par. 108)

Sec. 8. Regulations; issuance; contents. The Director shall from time to time issue reasonable regulations for enforcement of this Act that shall have the force and effect of law. In determining these regulations, he shall appoint, consult with, and be advised by committees representative of industries to be affected by the regulations. These regulations

may include (1) standards of net weight, measure or count, and reasonable standards of fill, for any commodity in package form, (2) rules governing the technical and reporting procedures to be followed and the report and record forms and marks of approval and rejection to be used by inspectors of weights and measures in the discharge of their official duties, and (3) exemptions from the sealing or marking requirements of Section 14 of this Act with respect to weights and measures of such character or size that such sealing or marking would be inappropriate, impracticable, or damaging to the apparatus in question. These regulations shall include specifications, tolerances, and regulations for weights and measures, of the character of those specified in Section 10 of this Act, designed to eliminate from use (without prejudice to apparatus that conforms as closely as practicable to the official standards) such weights and measures as are (1) inaccurate, (2) of faulty construction (that is, not reasonably permanent in their adjustment or not capable of correct repetition of their indications), or (3) conducive to the perpetration of fraud. Specifications, tolerances, and regulations for commercial weighing and measuring devices recommended by the National Institute of Standards and Technology and published in National Institute of Standards and Technology Handbook 44 and supplements thereto or in any publication revising or superseding Handbook 44, shall be the specifications, tolerances, and regulations for commercial weighing and

measuring devices of this State, except insofar as specifically modified, amended, or rejected by a regulation issued by the Director. Notwithstanding the provisions of this paragraph, liquefied natural gas and propane used as motor fuel shall be sold in diesel gallon equivalents, and compressed natural gas shall be sold in gasoline gallon equivalents. Propane used as motor fuel shall be sold in actual measured gallon volumetric units, which shall then be multiplied by 0.651 to determine the diesel gallon equivalents that are subject to tax under the Motor Fuel Tax Law.

The National Institute of Standards and Technology Handbook 133 and its supplements, or any publication revising or superseding Handbook 133, shall be the method for checking the net contents of commodities in package form. The National Institute of Standards and Technology Handbooks 105-1, 105-2, 105-3, 105-4, 105-8, and their supplements, or any publication revising or superseding Handbooks 105-1, 105-2, 105-3, 105-4, and 105-8 shall be specifications and tolerances for reference standards and field standards weights and measures.

For purposes of this Act, apparatus shall be deemed "correct" when it conforms to all applicable requirements promulgated as specified in this Section. Apparatus that does not conform to all applicable requirements shall be deemed "incorrect".

The Director is authorized to prescribe by regulation, after public hearings, container sizes for fluid dairy products

and container sizes for ice cream, frozen desserts, and similar items.

For the purposes of this Act, any apparatus certified by the Department or city sealer as of July 1, 2012 satisfies construction and installation requirements.

The Uniform Packaging and Labeling Regulation and the Uniform Regulation for the Method of Sale of Commodities in the National Institute of Standards and Technology Handbook 130, and any of its subsequent supplements or revisions, shall be the requirements and standards governing the packaging, labeling, and method of sale of commodities for this State, except insofar as specifically modified, amended, or rejected by regulation issued by the Director, and except that liquefied natural gas used as motor fuel shall be sold in diesel gallon equivalents, and compressed natural gas shall be sold in gasoline gallon equivalents.

(Source: P.A. 98-342, eff. 8-13-13.)

Section 15. The Environmental Impact Fee Law is amended by changing Section 310 as follows:

(415 ILCS 125/310)

(Section scheduled to be repealed on January 1, 2025)

Sec. 310. Environmental impact fee; imposition. Beginning January 1, 1996, all receivers of fuel are subject to an environmental impact fee of \$60 per 7,500 gallons of fuel, or

an equivalent amount per fraction thereof, that is sold or used in Illinois. The fee shall be paid by the receiver in this State who first sells or uses the fuel. The environmental impact fee imposed by this Law replaces the fee imposed under the corresponding provisions of Article 3 of Public Act 89-428. Environmental impact fees paid under that Article 3 shall satisfy the receiver's corresponding liability under this Law.

A receiver of fuels is subject to the fee without regard to whether the fuel is intended to be used for operation of motor vehicles on the public highways and waters. However, no fee shall be imposed upon the importation or receipt of aviation fuels and kerosene at airports with over 170,000 operations per year, located in a city of more than 1,000,000 inhabitants, for sale to or use by holders of certificates of public convenience and necessity or foreign air carrier permits, issued by the United States Department of Transportation, and their air carrier affiliates, or upon the importation or receipt of aviation fuels and kerosene at facilities owned or leased by those certificate or permit holders and used in their activities at an airport described above. In addition, no fee may be imposed upon the importation or receipt of diesel fuel or liquefied natural gas sold to or used by a rail carrier registered under Section 18c-7201 of the Illinois Vehicle Code or otherwise recognized by the Illinois Commerce Commission as a rail carrier, to the extent used directly in railroad operations. In addition, no fee may be imposed when the sale is

made with delivery to a purchaser outside this State or when the sale is made to a person holding a valid license as a receiver. In addition, no fee shall be imposed upon diesel fuel or liquefied natural gas consumed or used in the operation of ships, barges, or vessels, that are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering on this State, if the diesel fuel or liquefied natural gas is delivered by a licensed receiver to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river. A specific notation thereof shall be made on the invoices or sales slips covering each sale.

(Source: P.A. 92-232, eff. 8-2-01.)

Section 99. Effective date. This Act takes effect July 1, 2017.

INDEX

Statutes amended in order of appearance

35 ILCS 505/1.8	from Ch. 120, par. 417.8
35 ILCS 505/1.8A new	
35 ILCS 505/1.8B new	
35 ILCS 505/1.13C new	
35 ILCS 505/2	from Ch. 120, par. 418
35 ILCS 505/2a	from Ch. 120, par. 418a
35 ILCS 505/5	from Ch. 120, par. 421
225 ILCS 470/2	from Ch. 147, par. 102
225 ILCS 470/8	from Ch. 147, par. 108
415 ILCS 125/310	