



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB3179

Introduced 2/18/2025, by Rep. Ryan Spain

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 120/2-10	from Ch. 120, par. 441-10

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Reduces the rate of tax on diapers and baby wipes to 1% (currently, 6.25%). Makes various formatting changes.

LRB104 10134 HLH 20206 b

1 AN ACT concerning revenue.

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

4 Section 5. The Use Tax Act is amended by changing Section  
5 3-10 as follows:

6 (35 ILCS 105/3-10) from Ch. 120, par. 439.33-10

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
8 Section, the tax imposed by this Act is at the rate of 6.25% of  
9 either the selling price or the fair market value, if any, of  
10 the tangible personal property, which, on and after January 1,  
11 2025, includes leases of tangible personal property. In all  
12 cases where property functionally used or consumed is the same  
13 as the property that was purchased at retail, then the tax is  
14 imposed on the selling price of the property. In all cases  
15 where property functionally used or consumed is a by-product  
16 or waste product that has been refined, manufactured, or  
17 produced from property purchased at retail, then the tax is  
18 imposed on the lower of the fair market value, if any, of the  
19 specific property so used in this State or on the selling price  
20 of the property purchased at retail. For purposes of this  
21 Section "fair market value" means the price at which property  
22 would change hands between a willing buyer and a willing  
23 seller, neither being under any compulsion to buy or sell and

1 both having reasonable knowledge of the relevant facts. The  
2 fair market value shall be established by Illinois sales by  
3 the taxpayer of the same property as that functionally used or  
4 consumed, or if there are no such sales by the taxpayer, then  
5 comparable sales or purchases of property of like kind and  
6 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, and  
12 beginning again on August 5, 2022 through August 14, 2022,  
13 with respect to sales tax holiday items as defined in Section  
14 3-6 of this 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 July 1, 2003, (ii) 80% of the  
18 proceeds of sales made on or after July 1, 2003 and on or  
19 before July 1, 2017, (iii) 100% of the proceeds of sales made  
20 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of  
21 the proceeds of sales made on or after January 1, 2024 and on  
22 or before December 31, 2028, and (v) 100% of the proceeds of  
23 sales made after December 31, 2028. If, at any time, however,  
24 the tax under this Act on sales of gasohol is imposed at the  
25 rate of 1.25%, then the tax imposed by this Act applies to 100%  
26 of the proceeds of sales of gasohol made during that time.

1           With respect to mid-range ethanol blends, the tax imposed  
2 by this Act applies to (i) 80% of the proceeds of sales made on  
3 or after January 1, 2024 and on or before December 31, 2028 and  
4 (ii) 100% of the proceeds of sales made thereafter. If, at any  
5 time, however, the tax under this Act on sales of mid-range  
6 ethanol blends is imposed at the rate of 1.25%, then the tax  
7 imposed by this Act applies to 100% of the proceeds of sales of  
8 mid-range ethanol blends made during that time.

9           With respect to majority blended ethanol fuel, the tax  
10 imposed by this Act does not apply to the proceeds of sales  
11 made on or after July 1, 2003 and on or before December 31,  
12 2028 but applies to 100% of the proceeds of sales made  
13 thereafter.

14           With respect to biodiesel blends with no less than 1% and  
15 no more than 10% biodiesel, the tax imposed by this Act applies  
16 to (i) 80% of the proceeds of sales made on or after July 1,  
17 2003 and on or before December 31, 2018 and (ii) 100% of the  
18 proceeds of sales made after December 31, 2018 and before  
19 January 1, 2024. On and after January 1, 2024 and on or before  
20 December 31, 2030, the taxation of biodiesel, renewable  
21 diesel, and biodiesel blends shall be as provided in Section  
22 3-5.1. If, at any time, however, the tax under this Act on  
23 sales of biodiesel blends with no less than 1% and no more than  
24 10% biodiesel is imposed at the rate of 1.25%, then the tax  
25 imposed by this Act applies to 100% of the proceeds of sales of  
26 biodiesel blends with no less than 1% and no more than 10%

1 biodiesel made during that time.

2 With respect to biodiesel and biodiesel blends with more  
3 than 10% but no more than 99% biodiesel, the tax imposed by  
4 this Act does not apply to the proceeds of sales made on or  
5 after July 1, 2003 and on or before December 31, 2023. On and  
6 after January 1, 2024 and on or before December 31, 2030, the  
7 taxation of biodiesel, renewable diesel, and biodiesel blends  
8 shall be as provided in Section 3-5.1.

9 With respect to the following items, the tax is imposed at  
10 the rate of 1%:

11 (1) food for human consumption that is to be consumed  
12 off the premises where it is sold (other than alcoholic  
13 beverages, food consisting of or infused with adult use  
14 cannabis, soft drinks, and food that has been prepared for  
15 immediate consumption);

16 (2) prescription and nonprescription medicines, drugs,  
17 and medical appliances;

18 (3) products classified as Class III medical devices  
19 by the United States Food and Drug Administration that are  
20 used for cancer treatment pursuant to a prescription, as  
21 well as any accessories and components related to those  
22 devices;

23 (4) modifications to a motor vehicle for the purpose  
24 of rendering it usable by a person with a disability;

25 (5) insulin, blood sugar testing materials, syringes,  
26 and needles used by human diabetics; and

1           (6) diapers and baby wipes.

2           ~~Until July 1, 2022 and from July 1, 2023 through December~~  
3 ~~31, 2025, with respect to food for human consumption that is to~~  
4 ~~be consumed off the premises where it is sold (other than~~  
5 ~~alcoholic beverages, food consisting of or infused with adult~~  
6 ~~use cannabis, soft drinks, and food that has been prepared for~~  
7 ~~immediate consumption), the tax is imposed at the rate of 1%.~~  
8 ~~Beginning on July 1, 2022 and until July 1, 2023, with respect~~  
9 ~~to food for human consumption that is to be consumed off the~~  
10 ~~premises where it is sold (other than alcoholic beverages,~~  
11 ~~food consisting of or infused with adult use cannabis, soft~~  
12 ~~drinks, and food that has been prepared for immediate~~  
13 ~~consumption), the tax is imposed at the rate of 0%. On and~~  
14 ~~after January 1, 2026, food for human consumption that is to be~~  
15 ~~consumed off the premises where it is sold (other than~~  
16 ~~alcoholic beverages, food consisting of or infused with adult~~  
17 ~~use cannabis, soft drinks, candy, and food that has been~~  
18 ~~prepared for immediate consumption) is exempt from the tax~~  
19 ~~imposed by this Act.~~

20           ~~With respect to prescription and nonprescription~~  
21 ~~medicines, drugs, medical appliances, products classified as~~  
22 ~~Class III medical devices by the United States Food and Drug~~  
23 ~~Administration that are used for cancer treatment pursuant to~~  
24 ~~a prescription, as well as any accessories and components~~  
25 ~~related to those devices, modifications to a motor vehicle for~~  
26 ~~the purpose of rendering it usable by a person with a~~

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

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

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

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

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

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

1 as required by 21 CFR 201.66. The "over-the-counter-drug"  
2 label includes:

3 (A) a "Drug Facts" panel; or

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

7 Beginning on January 1, 2014 (the effective date of Public  
8 Act 98-122), "prescription and nonprescription medicines and  
9 drugs" includes medical cannabis purchased from a registered  
10 dispensing organization under the Compassionate Use of Medical  
11 Cannabis Program Act.

12 As used in this Section, "adult use cannabis" means  
13 cannabis subject to tax under the Cannabis Cultivation  
14 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
15 and does not include cannabis subject to tax under the  
16 Compassionate Use of Medical Cannabis Program Act.

17 If the property that is purchased at retail from a  
18 retailer is acquired outside Illinois and used outside  
19 Illinois before being brought to Illinois for use here and is  
20 taxable under this Act, the "selling price" on which the tax is  
21 computed shall be reduced by an amount that represents a  
22 reasonable allowance for depreciation for the period of prior  
23 out-of-state use. No depreciation is allowed in cases where  
24 the tax under this Act is imposed on lease receipts.

25 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
26 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section

1 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.  
2 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-592,  
3 eff. 1-1-25; 103-781, eff. 8-5-24; revised 11-26-24.)

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

6 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
8 Section, the tax imposed by this Act is at the rate of 6.25% of  
9 the selling price of tangible personal property transferred,  
10 including, on and after January 1, 2025, transferred by lease,  
11 as an incident to the sale of service, but, for the purpose of  
12 computing this tax, in no event shall the selling price be less  
13 than the cost price of the property to the serviceman.

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

18 With respect to gasohol, as defined in the Use Tax Act, the  
19 tax imposed by this Act applies to (i) 70% of the selling price  
20 of property transferred as an incident to the sale of service  
21 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
22 of the selling price of property transferred as an incident to  
23 the sale of service on or after July 1, 2003 and on or before  
24 July 1, 2017, (iii) 100% of the selling price of property

1 transferred as an incident to the sale of service after July 1,  
2 2017 and before January 1, 2024, (iv) 90% of the selling price  
3 of property transferred as an incident to the sale of service  
4 on or after January 1, 2024 and on or before December 31, 2028,  
5 and (v) 100% of the selling price of property transferred as an  
6 incident to the sale of service after December 31, 2028. If, at  
7 any time, however, the tax under this Act on sales of gasohol,  
8 as defined in the Use Tax Act, is imposed at the rate of 1.25%,  
9 then the tax imposed by this Act applies to 100% of the  
10 proceeds of sales of gasohol made during that time.

11 With respect to mid-range ethanol blends, as defined in  
12 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
13 applies to (i) 80% of the selling price of property  
14 transferred as an incident to the sale of service on or after  
15 January 1, 2024 and on or before December 31, 2028 and (ii)  
16 100% of the selling price of property transferred as an  
17 incident to the sale of service after December 31, 2028. If, at  
18 any time, however, the tax under this Act on sales of mid-range  
19 ethanol blends is imposed at the rate of 1.25%, then the tax  
20 imposed by this Act applies to 100% of the selling price of  
21 mid-range ethanol blends transferred as an incident to the  
22 sale of service during that time.

23 With respect to majority blended ethanol fuel, as defined  
24 in the Use Tax Act, the tax imposed by this Act does not apply  
25 to the selling price of property transferred as an incident to  
26 the sale of service on or after July 1, 2003 and on or before

1 December 31, 2028 but applies to 100% of the selling price  
2 thereafter.

3 With respect to biodiesel blends, as defined in the Use  
4 Tax Act, with no less than 1% and no more than 10% biodiesel,  
5 the tax imposed by this Act applies to (i) 80% of the selling  
6 price of property transferred as an incident to the sale of  
7 service on or after July 1, 2003 and on or before December 31,  
8 2018 and (ii) 100% of the proceeds of the selling price after  
9 December 31, 2018 and before January 1, 2024. On and after  
10 January 1, 2024 and on or before December 31, 2030, the  
11 taxation of biodiesel, renewable diesel, and biodiesel blends  
12 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
13 at any time, however, the tax under this Act on sales of  
14 biodiesel blends, as defined in the Use Tax Act, with no less  
15 than 1% and no more than 10% biodiesel is imposed at the rate  
16 of 1.25%, then the tax imposed by this Act applies to 100% of  
17 the proceeds of sales of biodiesel blends with no less than 1%  
18 and no more than 10% biodiesel made during that time.

19 With respect to biodiesel, as defined in the Use Tax Act,  
20 and biodiesel blends, as defined in the Use Tax Act, with more  
21 than 10% but no more than 99% biodiesel, the tax imposed by  
22 this Act does not apply to the proceeds of the selling price of  
23 property transferred as an incident to the sale of service on  
24 or after July 1, 2003 and on or before December 31, 2023. On  
25 and after January 1, 2024 and on or before December 31, 2030,  
26 the taxation of biodiesel, renewable diesel, and biodiesel

1 blends shall be as provided in Section 3-5.1 of the Use Tax  
2 Act.

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

13 ~~Until July 1, 2022 and from July 1, 2023 through December~~  
14 ~~31, 2025, the tax shall be imposed at the rate of 1% on food~~  
15 ~~prepared for immediate consumption and transferred incident to~~  
16 ~~a sale of service subject to this Act or the Service Occupation~~  
17 ~~Tax Act by an entity licensed under the Hospital Licensing~~  
18 ~~Act, the Nursing Home Care Act, the Assisted Living and Shared~~  
19 ~~Housing Act, the ID/DD Community Care Act, the MC/DD Act, the~~  
20 ~~Specialized Mental Health Rehabilitation Act of 2013, or the~~  
21 ~~Child Care Act of 1969, or an entity that holds a permit issued~~  
22 ~~pursuant to the Life Care Facilities Act. Until July 1, 2022~~  
23 ~~and from July 1, 2023 through December 31, 2025, the tax shall~~  
24 ~~also be imposed at the rate of 1% on food for human consumption~~  
25 ~~that is to be consumed off the premises where it is sold (other~~  
26 ~~than alcoholic beverages, food consisting of or infused with~~

1 ~~adult use cannabis, soft drinks, and food that has been~~  
2 ~~prepared for immediate consumption and is not otherwise~~  
3 ~~included in this paragraph).~~

4 ~~Beginning on July 1, 2022 and until July 1, 2023, the tax~~  
5 ~~shall be imposed at the rate of 0% on food prepared for~~  
6 ~~immediate consumption and transferred incident to a sale of~~  
7 ~~service subject to this Act or the Service Occupation Tax Act~~  
8 ~~by an entity licensed under the Hospital Licensing Act, the~~  
9 ~~Nursing Home Care Act, the Assisted Living and Shared Housing~~  
10 ~~Act, the ID/DD Community Care Act, the MC/DD Act, the~~  
11 ~~Specialized Mental Health Rehabilitation Act of 2013, or the~~  
12 ~~Child Care Act of 1969, or an entity that holds a permit issued~~  
13 ~~pursuant to the Life Care Facilities Act. Beginning on July 1,~~  
14 ~~2022 and until July 1, 2023, the tax shall also be imposed at~~  
15 ~~the rate of 0% on food for human consumption that is to be~~  
16 ~~consumed off the premises where it is sold (other than~~  
17 ~~alcoholic beverages, food consisting of or infused with adult~~  
18 ~~use cannabis, soft drinks, and food that has been prepared for~~  
19 ~~immediate consumption and is not otherwise included in this~~  
20 ~~paragraph).~~

21 On and ~~an~~ after January 1, 2026, food prepared for  
22 immediate consumption and transferred incident to a sale of  
23 service subject to this Act or the Service Occupation Tax Act  
24 by an entity licensed under the Hospital Licensing Act, the  
25 Nursing Home Care Act, the Assisted Living and Shared Housing  
26 Act, the ID/DD Community Care Act, the MC/DD Act, the

1 Specialized Mental Health Rehabilitation Act of 2013, or the  
2 Child Care Act of 1969, or by an entity that holds a permit  
3 issued pursuant to the Life Care Facilities Act is exempt from  
4 the tax under this Act. On and after January 1, 2026, food for  
5 human consumption that is to be consumed off the premises  
6 where it is sold (other than alcoholic beverages, food  
7 consisting of or infused with adult use cannabis, soft drinks,  
8 candy, and food that has been prepared for immediate  
9 consumption and is not otherwise included in this paragraph)  
10 is exempt from the tax under this Act.

11 With respect to the following items, the tax is imposed at  
12 the rate of 1%:

13 (1) food prepared for immediate consumption and  
14 transferred incident to a sale of service subject to this  
15 Act or the Service Occupation Tax Act by an entity  
16 licensed under the Hospital Licensing Act, the Nursing  
17 Home Care Act, the Assisted Living and Shared Housing Act,  
18 the ID/DD Community Care Act, the MC/DD Act, the  
19 Specialized Mental Health Rehabilitation Act of 2013, or  
20 the Child Care Act of 1969, or an entity that holds a  
21 permit issued pursuant to the Life Care Facilities Act;

22 (2) food for human consumption that is to be consumed  
23 off the premises where it is sold (other than alcoholic  
24 beverages, food consisting of or infused with adult use  
25 cannabis, soft drinks, and food that has been prepared for  
26 immediate consumption);

1           (3) prescription and nonprescription medicines, drugs,  
2           and medical appliances;

3           (4) products classified as Class III medical devices  
4           by the United States Food and Drug Administration that are  
5           used for cancer treatment pursuant to a prescription, as  
6           well as any accessories and components related to those  
7           devices;

8           (5) modifications to a motor vehicle for the purpose  
9           of rendering it usable by a person with a disability;

10          (6) insulin, blood sugar testing materials, syringes,  
11          and needles used by human diabetics; and

12          (7) diapers and baby wipes.

13          ~~The tax shall be imposed at the rate of 1% on prescription~~  
14          ~~and nonprescription medicines, drugs, medical appliances,~~  
15          ~~products classified as Class III medical devices by the United~~  
16          ~~States Food and Drug Administration that are used for cancer~~  
17          ~~treatment pursuant to a prescription, as well as any~~  
18          ~~accessories and components related to those devices,~~  
19          ~~modifications to a motor vehicle for the purpose of rendering~~  
20          ~~it usable by a person with a disability, and insulin, blood~~  
21          ~~sugar testing materials, syringes, and needles used by human~~  
22          ~~diabetics.~~ For the purposes of this Section, until September  
23          1, 2009: the term "soft drinks" means any complete, finished,  
24          ready-to-use, non-alcoholic drink, whether carbonated or not,  
25          including, but not limited to, soda water, cola, fruit juice,  
26          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 bottle, can,  
3 carton, or container, regardless of size; but "soft drinks"  
4 does not include coffee, tea, non-carbonated water, infant  
5 formula, milk or milk products as defined in the Grade A  
6 Pasteurized Milk and Milk Products Act, or drinks containing  
7 50% or more natural fruit or vegetable juice.

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

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

26 Notwithstanding any other provisions of this Act,

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

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

22 (A) a "Drug Facts" panel; or

23 (B) a statement of the "active ingredient(s)" with a  
24 list of those ingredients contained in the compound,  
25 substance or preparation.

26 Beginning on January 1, 2014 (the effective date of Public

1 Act 98-122), "prescription and nonprescription medicines and  
2 drugs" includes medical cannabis purchased from a registered  
3 dispensing organization under the Compassionate Use of Medical  
4 Cannabis Program Act.

5 As used in this Section, "adult use cannabis" means  
6 cannabis subject to tax under the Cannabis Cultivation  
7 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
8 and does not include cannabis subject to tax under the  
9 Compassionate Use of Medical Cannabis Program Act.

10 If the property that is acquired from a serviceman is  
11 acquired outside Illinois and used outside Illinois before  
12 being brought to Illinois for use here and is taxable under  
13 this Act, the "selling price" on which the tax is computed  
14 shall be reduced by an amount that represents a reasonable  
15 allowance for depreciation for the period of prior  
16 out-of-state use. No depreciation is allowed in cases where  
17 the tax under this Act is imposed on lease receipts.

18 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;  
19 102-700, Article 20, Section 20-10, eff. 4-19-22; 102-700,  
20 Article 60, Section 60-20, eff. 4-19-22; 103-9, eff. 6-7-23;  
21 103-154, eff. 6-30-23; 103-592, eff. 1-1-25; 103-781, eff.  
22 8-5-24; revised 11-26-24.)

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

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

2 Sec. 3-10. 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 the "selling price", as defined in Section 2 of the Service Use  
5 Tax Act, of the tangible personal property, including, on and  
6 after January 1, 2025, tangible personal property transferred  
7 by lease. For the purpose of computing this tax, in no event  
8 shall the "selling price" be less than the cost price to the  
9 serviceman of the tangible personal property transferred. The  
10 selling price of each item of tangible personal property  
11 transferred as an incident of a sale of service may be shown as  
12 a distinct and separate item on the serviceman's billing to  
13 the service customer. If the selling price is not so shown, the  
14 selling price of the tangible personal property is deemed to  
15 be 50% of the serviceman's entire billing to the service  
16 customer. When, however, a serviceman contracts to design,  
17 develop, and produce special order machinery or equipment, the  
18 tax imposed by this Act shall be based on the serviceman's cost  
19 price of the tangible personal property transferred incident  
20 to the completion of the contract.

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

25 With respect to gasohol, as defined in the Use Tax Act, the  
26 tax imposed by this Act shall apply to (i) 70% of the cost

1 price of property transferred as an incident to the sale of  
2 service on or after January 1, 1990, and before July 1, 2003,  
3 (ii) 80% of the selling price of property transferred as an  
4 incident to the sale of service on or after July 1, 2003 and on  
5 or before July 1, 2017, (iii) 100% of the selling price of  
6 property transferred as an incident to the sale of service  
7 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of  
8 the selling price of property transferred as an incident to  
9 the sale of service on or after January 1, 2024 and on or  
10 before December 31, 2028, and (v) 100% of the selling price of  
11 property transferred as an incident to the sale of service  
12 after December 31, 2028. If, at any time, however, the tax  
13 under this Act on sales of gasohol, as defined in the Use Tax  
14 Act, is imposed at the rate of 1.25%, then the tax imposed by  
15 this Act applies to 100% of the proceeds of sales of gasohol  
16 made during that time.

17 With respect to mid-range ethanol blends, as defined in  
18 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
19 applies to (i) 80% of the selling price of property  
20 transferred as an incident to the sale of service on or after  
21 January 1, 2024 and on or before December 31, 2028 and (ii)  
22 100% of the selling price of property transferred as an  
23 incident to the sale of service after December 31, 2028. If, at  
24 any time, however, the tax under this Act on sales of mid-range  
25 ethanol blends is imposed at the rate of 1.25%, then the tax  
26 imposed by this Act applies to 100% of the selling price of

1 mid-range ethanol blends transferred as an incident to the  
2 sale of service during that time.

3 With respect to majority blended ethanol fuel, as defined  
4 in the Use Tax Act, the tax imposed by this Act does not apply  
5 to the selling price of property transferred as an incident to  
6 the sale of service on or after July 1, 2003 and on or before  
7 December 31, 2028 but applies to 100% of the selling price  
8 thereafter.

9 With respect to biodiesel blends, as defined in the Use  
10 Tax Act, with no less than 1% and no more than 10% biodiesel,  
11 the tax imposed by this Act applies to (i) 80% of the selling  
12 price of property transferred as an incident to the sale of  
13 service on or after July 1, 2003 and on or before December 31,  
14 2018 and (ii) 100% of the proceeds of the selling price after  
15 December 31, 2018 and before January 1, 2024. On and after  
16 January 1, 2024 and on or before December 31, 2030, the  
17 taxation of biodiesel, renewable diesel, and biodiesel blends  
18 shall be as provided in Section 3-5.1 of the Use Tax Act. 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 biodiesel, as defined in the Use Tax Act,  
26 and biodiesel blends, as defined in the Use Tax Act, with more

1 than 10% but no more than 99% biodiesel material, the tax  
2 imposed by this Act does not apply to the proceeds of the  
3 selling price of property transferred as an incident to the  
4 sale of service on or after July 1, 2003 and on or before  
5 December 31, 2023. On and after January 1, 2024 and on or  
6 before December 31, 2030, the taxation of biodiesel, renewable  
7 diesel, and biodiesel blends shall be as provided in Section  
8 3-5.1 of the Use Tax Act.

9 At the election of any registered serviceman made for each  
10 fiscal year, sales of service in which the aggregate annual  
11 cost price of tangible personal property transferred as an  
12 incident to the sales of service is less than 35%, or 75% in  
13 the case of servicemen transferring prescription drugs or  
14 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 incident to the sale of those services.

19 ~~Until July 1, 2022 and from July 1, 2023 through December~~  
20 ~~31, 2025, the tax shall be imposed at the rate of 1% on food~~  
21 ~~prepared for immediate consumption and transferred incident to~~  
22 ~~a sale of service subject to this Act or the Service Use Tax~~  
23 ~~Act by an entity licensed under the Hospital Licensing Act,~~  
24 ~~the Nursing Home Care Act, the Assisted Living and Shared~~  
25 ~~Housing Act, the ID/DD Community Care Act, the MC/DD Act, the~~  
26 ~~Specialized Mental Health Rehabilitation Act of 2013, or the~~

1 ~~Child Care Act of 1969, or an entity that holds a permit issued~~  
2 ~~pursuant to the Life Care Facilities Act. Until July 1, 2022~~  
3 ~~and from July 1, 2023 through December 31, 2025, the tax shall~~  
4 ~~also be imposed at the rate of 1% on food for human consumption~~  
5 ~~that is to be consumed off the premises where it is sold (other~~  
6 ~~than alcoholic beverages, food consisting of or infused with~~  
7 ~~adult use cannabis, soft drinks, and food that has been~~  
8 ~~prepared for immediate consumption and is not otherwise~~  
9 ~~included in this paragraph).~~

10 ~~Beginning on July 1, 2022 and until July 1, 2023, the tax~~  
11 ~~shall be imposed at the rate of 0% on food prepared for~~  
12 ~~immediate consumption and transferred incident to a sale of~~  
13 ~~service subject to this Act or the Service Use Tax Act by an~~  
14 ~~entity licensed under the Hospital Licensing Act, the Nursing~~  
15 ~~Home Care Act, the Assisted Living and Shared Housing Act, the~~  
16 ~~ID/DD Community Care Act, the MC/DD Act, the Specialized~~  
17 ~~Mental Health Rehabilitation Act of 2013, or the Child Care~~  
18 ~~Act of 1969, or an entity that holds a permit issued pursuant~~  
19 ~~to the Life Care Facilities Act. Beginning July 1, 2022 and~~  
20 ~~until July 1, 2023, the tax shall also be imposed at the rate~~  
21 ~~of 0% on food for human consumption that is to be consumed off~~  
22 ~~the premises where it is sold (other than alcoholic beverages,~~  
23 ~~food consisting of or infused with adult use cannabis, soft~~  
24 ~~drinks, and food that has been prepared for immediate~~  
25 ~~consumption and is not otherwise included in this paragraph).~~

26 On and after January 1, 2026, food prepared for immediate

1 consumption and transferred incident to a sale of service  
2 subject to this Act or the Service Use Tax Act by an entity  
3 licensed under the Hospital Licensing Act, the Nursing Home  
4 Care Act, the Assisted Living and Shared Housing Act, the  
5 ID/DD Community Care Act, the MC/DD Act, the Specialized  
6 Mental Health Rehabilitation Act of 2013, or the Child Care  
7 Act of 1969, or an entity that holds a permit issued pursuant  
8 to the Life Care Facilities Act is exempt from the tax imposed  
9 by this Act. On and after January 1, 2026, food for human  
10 consumption that is to be consumed off the premises where it is  
11 sold (other than alcoholic beverages, food consisting of or  
12 infused with adult use cannabis, soft drinks, candy, and food  
13 that has been prepared for immediate consumption and is not  
14 otherwise included in this paragraph) is exempt from the tax  
15 imposed by this Act.

16 With respect to the following items, the tax is imposed at  
17 the rate of 1%:

18 (1) food prepared for immediate consumption and  
19 transferred incident to a sale of service subject to this  
20 Act or the Service Occupation Tax Act by an entity  
21 licensed under the Hospital Licensing Act, the Nursing  
22 Home Care Act, the Assisted Living and Shared Housing Act,  
23 the ID/DD Community Care Act, the MC/DD Act, the  
24 Specialized Mental Health Rehabilitation Act of 2013, or  
25 the Child Care Act of 1969, or an entity that holds a  
26 permit issued pursuant to the Life Care Facilities Act;

1           (2) food for human consumption that is to be consumed  
2           off the premises where it is sold (other than alcoholic  
3           beverages, food consisting of or infused with adult use  
4           cannabis, soft drinks, and food that has been prepared for  
5           immediate consumption);

6           (3) prescription and nonprescription medicines, drugs,  
7           and medical appliances;

8           (4) products classified as Class III medical devices  
9           by the United States Food and Drug Administration that are  
10           used for cancer treatment pursuant to a prescription, as  
11           well as any accessories and components related to those  
12           devices;

13           (5) modifications to a motor vehicle for the purpose  
14           of rendering it usable by a person with a disability;

15           (6) insulin, blood sugar testing materials, syringes,  
16           and needles used by human diabetics; and

17           (7) diapers and baby wipes.

18           ~~The tax shall be imposed at the rate of 1% on prescription~~  
19           ~~and nonprescription medicines, drugs, medical appliances,~~  
20           ~~products classified as Class III medical devices by the United~~  
21           ~~States Food and Drug Administration that are used for cancer~~  
22           ~~treatment pursuant to a prescription, as well as any~~  
23           ~~accessories and components related to those devices,~~  
24           ~~modifications to a motor vehicle for the purpose of rendering~~  
25           ~~it usable by a person with a disability, and insulin, blood~~  
26           ~~sugar testing materials, syringes, and needles used by human~~

1 ~~diabetics.~~ For the purposes of this Section, until September  
2 1, 2009: the term "soft drinks" means any complete, finished,  
3 ready-to-use, non-alcoholic drink, whether carbonated or not,  
4 including, but not limited to, soda water, cola, fruit juice,  
5 vegetable juice, carbonated water, and all other preparations  
6 commonly known as soft drinks of whatever kind or description  
7 that are contained in any closed or sealed can, carton, or  
8 container, regardless of size; but "soft drinks" does not  
9 include coffee, tea, non-carbonated water, infant formula,  
10 milk or milk products as defined in the Grade A Pasteurized  
11 Milk and Milk Products Act, or drinks containing 50% or more  
12 natural fruit or vegetable 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" does 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  
11 other 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 CFR 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 Beginning on January 1, 2014 (the effective date of Public  
6 Act 98-122), "prescription and nonprescription medicines and  
7 drugs" includes medical cannabis purchased from a registered  
8 dispensing organization under the Compassionate Use of Medical  
9 Cannabis Program Act.

10 As used in this Section, "adult use cannabis" means  
11 cannabis subject to tax under the Cannabis Cultivation  
12 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
13 and does not include cannabis subject to tax under the  
14 Compassionate Use of Medical Cannabis Program Act.

15 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;  
16 102-700, Article 20, Section 20-15, eff. 4-19-22; 102-700,  
17 Article 60, Section 60-25, eff. 4-19-22; 103-9, eff. 6-7-23;  
18 103-154, eff. 6-30-23; 103-592, eff. 1-1-25; 103-781, eff.  
19 8-5-24; revised 11-26-24.)

20 Section 20. The Retailers' Occupation Tax Act is amended  
21 by changing Section 2-10 as follows:

22 (35 ILCS 120/2-10) from Ch. 120, par. 441-10

23 Sec. 2-10. Rate of tax. Unless otherwise provided in this  
24 Section, the tax imposed by this Act is at the rate of 6.25% of

1 gross receipts from sales, which, on and after January 1,  
2 2025, includes leases, of tangible personal property made in  
3 the course of business.

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

8 Beginning on August 6, 2010 through August 15, 2010, and  
9 beginning again on August 5, 2022 through August 14, 2022,  
10 with respect to sales tax holiday items as defined in Section  
11 2-8 of this Act, the tax is imposed at the rate of 1.25%.

12 Within 14 days after July 1, 2000 (the effective date of  
13 Public Act 91-872), each retailer of motor fuel and gasohol  
14 shall cause the following notice to be posted in a prominently  
15 visible place on each retail dispensing device that is used to  
16 dispense motor fuel or gasohol in the State of Illinois: "As of  
17 July 1, 2000, the State of Illinois has eliminated the State's  
18 share of sales tax on motor fuel and gasohol through December  
19 31, 2000. The price on this pump should reflect the  
20 elimination of the tax." The notice shall be printed in bold  
21 print on a sign that is no smaller than 4 inches by 8 inches.  
22 The sign shall be clearly visible to customers. Any retailer  
23 who fails to post or maintain a required sign through December  
24 31, 2000 is guilty of a petty offense for which the fine shall  
25 be \$500 per day per each retail premises where a violation  
26 occurs.

1           With respect to gasohol, as defined in the Use Tax Act, the  
2 tax imposed by this Act applies to (i) 70% of the proceeds of  
3 sales made on or after January 1, 1990, and before July 1,  
4 2003, (ii) 80% of the proceeds of sales made on or after July  
5 1, 2003 and on or before July 1, 2017, (iii) 100% of the  
6 proceeds of sales made after July 1, 2017 and prior to January  
7 1, 2024, (iv) 90% of the proceeds of sales made on or after  
8 January 1, 2024 and on or before December 31, 2028, and (v)  
9 100% of the proceeds of sales made after December 31, 2028. If,  
10 at any time, however, the tax under this Act on sales of  
11 gasohol, as defined in the Use Tax Act, is imposed at the rate  
12 of 1.25%, then the tax imposed by this Act applies to 100% of  
13 the proceeds of sales of gasohol made during that time.

14           With respect to mid-range ethanol blends, as defined in  
15 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
16 applies to (i) 80% of the proceeds of sales made on or after  
17 January 1, 2024 and on or before December 31, 2028 and (ii)  
18 100% of the proceeds of sales made after December 31, 2028. If,  
19 at any time, however, the tax under this Act on sales of  
20 mid-range ethanol blends is imposed at the rate of 1.25%, then  
21 the tax imposed by this Act applies to 100% of the proceeds of  
22 sales of mid-range ethanol blends made during that time.

23           With respect to majority blended ethanol fuel, as defined  
24 in the Use Tax Act, the tax imposed by this Act does not apply  
25 to the proceeds of sales made on or after July 1, 2003 and on  
26 or before December 31, 2028 but applies to 100% of the proceeds

1 of sales made thereafter.

2 With respect to biodiesel blends, as defined in the Use  
3 Tax Act, with no less than 1% and no more than 10% biodiesel,  
4 the tax imposed by this Act applies to (i) 80% of the proceeds  
5 of sales made on or after July 1, 2003 and on or before  
6 December 31, 2018 and (ii) 100% of the proceeds of sales made  
7 after December 31, 2018 and before January 1, 2024. On and  
8 after January 1, 2024 and on or before December 31, 2030, the  
9 taxation of biodiesel, renewable diesel, and biodiesel blends  
10 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
11 at any time, however, the tax under this Act on sales of  
12 biodiesel blends, as defined in the Use Tax Act, with no less  
13 than 1% and no more than 10% biodiesel is imposed at the rate  
14 of 1.25%, then the tax imposed by this Act applies to 100% of  
15 the proceeds of sales of biodiesel blends with no less than 1%  
16 and no more than 10% biodiesel made during that time.

17 With respect to biodiesel, as defined in the Use Tax Act,  
18 and biodiesel blends, as defined in the Use Tax Act, with more  
19 than 10% but no more than 99% biodiesel, the tax imposed by  
20 this Act does not apply to the proceeds of sales made on or  
21 after July 1, 2003 and on or before December 31, 2023. On and  
22 after January 1, 2024 and on or before December 31, 2030, the  
23 taxation of biodiesel, renewable diesel, and biodiesel blends  
24 shall be as provided in Section 3-5.1 of the Use Tax Act.

25 With respect to the following items, the tax is imposed at  
26 the rate of 1%:

1           (1) food for human consumption that is to be consumed  
2           off the premises where it is sold (other than alcoholic  
3           beverages, food consisting of or infused with adult use  
4           cannabis, soft drinks, and food that has been prepared for  
5           immediate consumption);

6           (2) prescription and nonprescription medicines, drugs,  
7           and medical appliances;

8           (3) products classified as Class III medical devices  
9           by the United States Food and Drug Administration that are  
10           used for cancer treatment pursuant to a prescription, as  
11           well as any accessories and components related to those  
12           devices;

13           (4) modifications to a motor vehicle for the purpose  
14           of rendering it usable by a person with a disability;

15           (5) insulin, blood sugar testing materials, syringes,  
16           and needles used by human diabetics; and

17           (6) diapers and baby wipes.

18           ~~Until July 1, 2022 and from July 1, 2023 through December~~  
19           ~~31, 2025, with respect to food for human consumption that is to~~  
20           ~~be consumed off the premises where it is sold (other than~~  
21           ~~alcoholic beverages, food consisting of or infused with adult~~  
22           ~~use cannabis, soft drinks, and food that has been prepared for~~  
23           ~~immediate consumption), the tax is imposed at the rate of 1%.~~  
24           ~~Beginning July 1, 2022 and until July 1, 2023, with respect to~~  
25           ~~food for human consumption that is to be consumed off the~~  
26           ~~premises where it is sold (other than alcoholic beverages,~~

1 ~~food consisting of or infused with adult use cannabis, soft~~  
2 ~~drinks, and food that has been prepared for immediate~~  
3 ~~consumption), the tax is imposed at the rate of 0%. On and~~  
4 ~~after January 1, 2026, food for human consumption that is to be~~  
5 ~~consumed off the premises where it is sold (other than~~  
6 ~~alcoholic beverages, food consisting of or infused with adult~~  
7 ~~use cannabis, soft drinks, candy, and food that has been~~  
8 ~~prepared for immediate consumption) is exempt from the tax~~  
9 ~~imposed by this Act.~~

10 ~~With respect to prescription and nonprescription~~  
11 ~~medicines, drugs, medical appliances, products classified as~~  
12 ~~Class III medical devices by the United States Food and Drug~~  
13 ~~Administration that are used for cancer treatment pursuant to~~  
14 ~~a prescription, as well as any accessories and components~~  
15 ~~related to those devices, modifications to a motor vehicle for~~  
16 ~~the purpose of rendering it usable by a person with a~~  
17 ~~disability, and insulin, blood sugar testing materials,~~  
18 ~~syringes, and needles used by human diabetics, the tax is~~  
19 ~~imposed at the rate of 1%. For the purposes of this Section,~~  
20 ~~until September 1, 2009: the term "soft drinks" means any~~  
21 ~~complete, finished, ready-to-use, non-alcoholic drink, whether~~  
22 ~~carbonated or not, including, but not limited to, soda water,~~  
23 ~~cola, fruit juice, vegetable juice, carbonated water, and all~~  
24 ~~other preparations commonly known as soft drinks of whatever~~  
25 ~~kind or description that are contained in any closed or sealed~~  
26 ~~bottle, can, carton, or container, regardless of size; but~~

1 "soft drinks" does not include coffee, tea, non-carbonated  
2 water, infant formula, milk or milk products as defined in the  
3 Grade A Pasteurized Milk and Milk Products Act, or drinks  
4 containing 50% or more natural fruit or vegetable juice.

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

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

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

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

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

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

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

23 Beginning on January 1, 2014 (the effective date of Public  
24 Act 98-122), "prescription and nonprescription medicines and  
25 drugs" includes medical cannabis purchased from a registered  
26 dispensing organization under the Compassionate Use of Medical

1 Cannabis Program Act.

2 As used in this Section, "adult use cannabis" means  
3 cannabis subject to tax under the Cannabis Cultivation  
4 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
5 and does not include cannabis subject to tax under the  
6 Compassionate Use of Medical Cannabis Program Act.

7 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
8 Section 20-20, eff. 4-19-22; 102-700, Article 60, Section  
9 60-30, eff. 4-19-22; 102-700, Article 65, Section 65-10, eff.  
10 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-592,  
11 eff. 1-1-25; 103-781, eff. 8-5-24; revised 11-26-24.)