

# SB2359



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2359

Introduced 2/7/2025, by Sen. Jason Plummer

### SYNOPSIS AS INTRODUCED:

35 ILCS 505/2

from Ch. 120, par. 418

Amends the Motor Fuel Tax Law. Provides that the July 1, 2025 tax increase based on the Consumer Price Index shall not occur. Effective immediately.

LRB104 06576 HLH 16612 b

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Motor Fuel Tax Law is amended by changing  
5 Section 2 as follows:

6 (35 ILCS 505/2) (from Ch. 120, par. 418)

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

10 (a) Prior to August 1, 1989, the tax is imposed at the rate  
11 of 13 cents per gallon on all motor fuel used in motor vehicles  
12 operating on the public highways and recreational type  
13 watercraft operating upon the waters of this State. Beginning  
14 on August 1, 1989 and until January 1, 1990, the rate of the  
15 tax imposed in this paragraph shall be 16 cents per gallon.  
16 Beginning January 1, 1990 and until July 1, 2019, the rate of  
17 tax imposed in this paragraph, including the tax on compressed  
18 natural gas, shall be 19 cents per gallon. Beginning July 1,  
19 2019 and until July 1, 2020, the rate of tax imposed in this  
20 paragraph shall be 38 cents per gallon. Beginning July 1, 2020  
21 and until July 1, 2021, the rate of tax imposed in this  
22 paragraph shall be 38.7 cents per gallon. Beginning July 1,  
23 2021 and until January 1, 2023, the rate of tax imposed in this

1 paragraph shall be 39.2 cents per gallon. On January 1, 2023,  
2 the rate of tax imposed in this paragraph shall be increased by  
3 an amount equal to the percentage increase, if any, in the  
4 Consumer Price Index for the 12 months ending in September of  
5 2022. On July 1, 2023, and on July 1 of each subsequent year,  
6 the rate of tax imposed in this paragraph shall be increased by  
7 an amount equal to the percentage increase, if any, in the  
8 Consumer Price Index for the 12 months ending in March of the  
9 year in which the increase takes place, except that the July 1,  
10 2025 increase in the rate of tax shall not occur. The  
11 percentage increase in the Consumer Price Index shall be  
12 calculated as follows: (1) calculate the average Consumer  
13 Price Index for the full 12 months ending in March of the year  
14 in which the increase takes place; (2) calculate the average  
15 Consumer Price Index for the full 12 months ending in March of  
16 the year immediately preceding the year in which the increase  
17 takes place; (3) calculate the percentage increase, if any, in  
18 the current-year average determined under item (1) over the  
19 preceding-year average determined under item (2). The rate  
20 shall be rounded to the nearest one-tenth of one cent.

21 (a-5) (Blank). ~~Beginning on July 1, 2022 and through~~  
22 ~~December 31, 2022, each retailer of motor fuel shall cause the~~  
23 ~~following notice to be posted in a prominently visible place~~  
24 ~~on each retail dispensing device that is used to dispense~~  
25 ~~motor fuel in the State of Illinois: "As of July 1, 2022, the~~  
26 ~~State of Illinois has suspended the inflation adjustment to~~

1 ~~the motor fuel tax through December 31, 2022. The price on this~~  
2 ~~pump should reflect the suspension of the tax increase." The~~  
3 ~~notice shall be printed in bold print on a sign that is no~~  
4 ~~smaller than 4 inches by 8 inches. The sign shall be clearly~~  
5 ~~visible to customers. Any retailer who fails to post or~~  
6 ~~maintain a required sign through December 31, 2022 is guilty~~  
7 ~~of a petty offense for which the fine shall be \$500 per day per~~  
8 ~~each retail premises where a violation occurs.~~

9 (b) Until July 1, 2019, the tax on the privilege of  
10 operating motor vehicles which use diesel fuel, liquefied  
11 natural gas, or propane shall be the rate according to  
12 paragraph (a) plus an additional 2 1/2 cents per gallon.  
13 Beginning July 1, 2019, the tax on the privilege of operating  
14 motor vehicles which use diesel fuel, liquefied natural gas,  
15 or propane shall be the rate according to subsection (a) plus  
16 an additional 7.5 cents per gallon. "Diesel fuel" is defined  
17 as any product intended for use or offered for sale as a fuel  
18 for engines in which the fuel is injected into the combustion  
19 chamber and ignited by pressure without electric spark.

20 (c) A tax is imposed upon the privilege of engaging in the  
21 business of selling motor fuel as a retailer or reseller on all  
22 motor fuel used in motor vehicles operating on the public  
23 highways and recreational type watercraft operating upon the  
24 waters of this State: (1) at the rate of 3 cents per gallon on  
25 motor fuel owned or possessed by such retailer or reseller at  
26 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents

1 per gallon on motor fuel owned or possessed by such retailer or  
2 reseller at 12:01 A.M. on January 1, 1990.

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

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

10 (d) Except as provided in Section 2a, the collection of a  
11 tax based on gallonage of gasoline used for the propulsion of  
12 any aircraft is prohibited on and after October 1, 1979, and  
13 the collection of a tax based on gallonage of special fuel used  
14 for the propulsion of any aircraft is prohibited on and after  
15 December 1, 2019.

16 (e) The collection of a tax, based on gallonage of all  
17 products commonly or commercially known or sold as 1-K  
18 kerosene, regardless of its classification or uses, is  
19 prohibited (i) on and after July 1, 1992 until December 31,  
20 1999, except when the 1-K kerosene is either: (1) delivered  
21 into bulk storage facilities of a bulk user, or (2) delivered  
22 directly into the fuel supply tanks of motor vehicles and (ii)  
23 on and after January 1, 2000. Beginning on January 1, 2000, the  
24 collection of a tax, based on gallonage of all products  
25 commonly or commercially known or sold as 1-K kerosene,  
26 regardless of its classification or uses, is prohibited except

1 when the 1-K kerosene is delivered directly into a storage  
2 tank that is located at a facility that has withdrawal  
3 facilities that are readily accessible to and are capable of  
4 dispensing 1-K kerosene into the fuel supply tanks of motor  
5 vehicles. For purposes of this subsection (e), a facility is  
6 considered to have withdrawal facilities that are not "readily  
7 accessible to and capable of dispensing 1-K kerosene into the  
8 fuel supply tanks of motor vehicles" only if the 1-K kerosene  
9 is delivered from: (i) a dispenser hose that is short enough so  
10 that it will not reach the fuel supply tank of a motor vehicle  
11 or (ii) a dispenser that is enclosed by a fence or other  
12 physical barrier so that a vehicle cannot pull alongside the  
13 dispenser to permit fueling.

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

18 As used in this Section, "Consumer Price Index" means the  
19 index published by the Bureau of Labor Statistics of the  
20 United States Department of Labor that measures the average  
21 change in prices of goods and services purchased by all urban  
22 consumers, United States city average, all items, 1982-84 =  
23 100.

24 (Source: P.A. 102-700, eff. 4-19-22; 103-995, eff. 8-9-24.)

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.