

SB3072



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3072

Introduced 1/28/2026, by Sen. Meg Loughran Cappel

SYNOPSIS AS INTRODUCED:

35 ILCS 5/247 new

Amends the Illinois Income Tax Act. Provides that a taxpayer that incurs qualified infrastructure costs in connection with the sale at a qualified retail motor fuel facility in the State of biodiesel, higher blends of ethanol fuel, and renewable diesel is allowed an income tax credit in an amount equal to 30% of those qualified infrastructure costs. Provides that the credit may not exceed \$200,000 per qualified facility and \$1,000,000 per taxpayer per taxable year. Effective immediately.

LRB104 18612 HLH 33926 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 Illinois Income Tax Act is amended by
5 adding Section 247 as follows:

6 (35 ILCS 5/247 new)

7 Sec. 247. Credit for qualified infrastructure costs.

8 (a) As used in this Section:

9 "Biodiesel" means diesel fuel that is not a hydrocarbon
10 fuel and that is derived from biomass that is intended for use
11 in diesel engines.

12 "Gasohol" means motor fuel that is a blend of denatured
13 ethanol and gasoline and that contains no more than 1.25%
14 water by weight.

15 "Higher blends of biodiesel" means blends of diesel fuel
16 that contain greater than 10% biodiesel.

17 "Higher blends of ethanol" means blends of gasohol that
18 contain greater than 10% denatured ethanol.

19 "Higher blends of renewable diesel" means blends of diesel
20 fuel that contain greater than 10% renewable diesel.

21 "Qualified infrastructure costs" means reasonable costs
22 paid or incurred by the taxpayer for the purchase and
23 installation of new or retrofitted:

1 (1) underground storage tanks that are compatible with
2 the storage of higher blends of ethanol, higher blends of
3 biodiesel, or higher blends of renewable diesel;

4 (2) motor fuel dispensers, nozzles, hoses, swivels,
5 valves, blender pumps, and other equipment necessary for
6 dispensing higher blends of ethanol, higher blends of
7 biodiesel, or higher blends of renewable diesel to the
8 public; and

9 (C) associated piping, simps, gauges, and other
10 necessary equipment for monitoring and control of the
11 storage and retail dispensing of higher blends of ethanol,
12 higher blends of biodiesel, or higher blends of renewable
13 diesel, all of which are placed in service at a qualified
14 retail motor fuel facility in this State during the
15 taxable year.

16 "Qualified infrastructure costs" does not include land
17 acquisition, site preparation, buildings, and non-fuel related
18 improvements.

19 "Qualified retail motor fuel facility" means a facility
20 located in this State that sells motor fuel at retail to the
21 public.

22 "Renewable diesel" means a diesel fuel that is a
23 hydrocarbon fuel derived from biomass meeting the requirements
24 of the latest version of ASTM standards D975 or D396. Fuels
25 that have been co-processed are not considered renewable
26 diesel.

1 (b) For taxable years beginning on or after January 1,
2 2026, a taxpayer that incurs qualified infrastructure costs as
3 a qualified retail motor fuel facility in this State is
4 allowed a credit against the tax imposed by subsections (a)
5 and (b) of Section 201. The amount of the credit shall be equal
6 to 30% of the qualified infrastructure costs, not to exceed
7 \$200,000 per qualified facility and \$1,000,000 per taxpayer
8 per taxable year.

9 (c) The credit allowed under this Section may not reduce
10 the taxpayer's liability to less than zero. If the amount of
11 the credit exceeds the taxpayer's liability for the taxable
12 year, the excess may be carried forward and applied to the tax
13 liability of the 5 taxable years following the excess credit
14 year. The credit may not be carried back.

15 (d) A taxpayer receiving a credit under this Section must
16 continuously offer higher blends of ethanol and biodiesel for
17 retail sale at the qualified retail motor fuel facility for a
18 period of not less than 5 consecutive years following the year
19 in which the credit is first claimed. If the taxpayer fails to
20 meet this requirement, the taxpayer's credit shall be subject
21 to recapture, in whole or in part, under rules adopted by the
22 Department. From December 1 of the given tax year through
23 March 31 of the next tax year, a taxpayer receiving the credit
24 may reduce biodiesel blends to 10% and still be in compliance
25 with this subsection.

26 (e) The Department, in consultation with the Department of

1 Agriculture, the Office of the State Fire Marshal, and the
2 Illinois Environmental Protection Agency, shall adopt rules to
3 administer this Section, including procedures for
4 certification of qualified infrastructure costs and
5 verification that fuel is offered for sale at the qualified
6 facility.

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