



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

**HB4977**

Introduced 1/27/2022, by Rep. Chris Miller

#### SYNOPSIS AS INTRODUCED:

35 ILCS 505/2

from Ch. 120, par. 418

Amends the Motor Fuel Tax Law. Provides that, beginning on July 1, 2022, the rate of tax shall be 19 cents per gallon and shall not be subject to the increase in the Consumer Price Index (currently, 38 cents per gallon, increased each year by the percentage increase in the Consumer Price Index). Provides that the tax on the privilege of operating motor vehicles which use diesel fuel, liquefied natural gas, or propane shall be an additional 2 1/2 cents per gallon (currently, 7.5 cents per gallon). Effective immediately.

LRB102 24789 HLH 34033 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 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, 2022, the rate of tax imposed in this  
20 paragraph shall be 38 cents per gallon and increased on July 1  
21 of each subsequent year by an amount equal to the percentage  
22 increase, if any, in the Consumer Price Index for All Urban  
23 Consumers for all items published by the United States

1 Department of Labor for the 12 months ending in March of each  
2 year. Beginning on July 1, 2022, the rate of tax imposed in  
3 this paragraph, including the tax on compressed natural gas,  
4 shall be 19 cents per gallon; that rate shall not be subject to  
5 the increase in the Consumer Price Index for All Urban  
6 Consumers for all items published by the United States  
7 Department of Labor. The rate shall be rounded to the nearest  
8 one-tenth of one cent.

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 and until July 1, 2022, the tax on the  
14 privilege of operating motor vehicles which use diesel fuel,  
15 liquefied natural gas, or propane shall be the rate according  
16 to subsection (a) plus an additional 7.5 cents per gallon.  
17 Beginning on July 1, 2022, the tax on the privilege of  
18 operating motor vehicles which use diesel fuel, liquefied  
19 natural gas, or propane shall be the rate according to  
20 paragraph (a) plus an additional 2 1/2 cents per gallon.  
21 "Diesel fuel" is defined as any product intended for use or  
22 offered for sale as a fuel for engines in which the fuel is  
23 injected into the combustion chamber and ignited by pressure  
24 without electric spark.

25 (c) A tax is imposed upon the privilege of engaging in the  
26 business of selling motor fuel as a retailer or reseller on all

1 motor fuel used in motor vehicles operating on the public  
2 highways and recreational type watercraft operating upon the  
3 waters of this State: (1) at the rate of 3 cents per gallon on  
4 motor fuel owned or possessed by such retailer or reseller at  
5 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents  
6 per gallon on motor fuel owned or possessed by such retailer or  
7 reseller at 12:01 A.M. on January 1, 1990.

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

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

15 (d) Except as provided in Section 2a, the collection of a  
16 tax based on gallonage of gasoline used for the propulsion of  
17 any aircraft is prohibited on and after October 1, 1979, and  
18 the collection of a tax based on gallonage of special fuel used  
19 for the propulsion of any aircraft is prohibited on and after  
20 December 1, 2019.

21 (e) The collection of a tax, based on gallonage of all  
22 products commonly or commercially known or sold as 1-K  
23 kerosene, regardless of its classification or uses, is  
24 prohibited (i) on and after July 1, 1992 until December 31,  
25 1999, except when the 1-K kerosene is either: (1) delivered  
26 into bulk storage facilities of a bulk user, or (2) delivered

1 directly into the fuel supply tanks of motor vehicles and (ii)  
2 on and after January 1, 2000. Beginning on January 1, 2000, the  
3 collection of a tax, based on gallonage of all products  
4 commonly or commercially known or sold as 1-K kerosene,  
5 regardless of its classification or uses, is prohibited except  
6 when the 1-K kerosene is delivered directly into a storage  
7 tank that is located at a facility that has withdrawal  
8 facilities that are readily accessible to and are capable of  
9 dispensing 1-K kerosene into the fuel supply tanks of motor  
10 vehicles. For purposes of this subsection (e), a facility is  
11 considered to have withdrawal facilities that are not "readily  
12 accessible to and capable of dispensing 1-K kerosene into the  
13 fuel supply tanks of motor vehicles" only if the 1-K kerosene  
14 is delivered from: (i) a dispenser hose that is short enough so  
15 that it will not reach the fuel supply tank of a motor vehicle  
16 or (ii) a dispenser that is enclosed by a fence or other  
17 physical barrier so that a vehicle cannot pull alongside the  
18 dispenser to permit fueling.

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

23 (Source: P.A. 100-9, eff. 7-1-17; 101-10, eff. 6-5-19; 101-32,  
24 eff. 6-28-19; 101-604, eff. 12-13-19.)

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