



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3091

Introduced 1/11/2022, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

35 ILCS 505/15

from Ch. 120, par. 431

Amends the Motor Fuel Tax Law. Provides that each person who acts (currently, knowingly acts) as a distributor of motor fuel or a supplier of special fuel, or a receiver of fuel without having a license so to do, or who fails or refuses (currently, knowingly fails or refuses) to file a return with the Department of Revenue or make payment to the Department of Revenue shall pay a penalty of \$500 for the first occurrence and \$1,000 for the second and each subsequent occurrence (currently, the person is guilty of a Class 3 felony). Provides that any person who acts as a motor carrier without having a valid motor fuel use tax license or a valid single trip permit shall pay a penalty of \$500 for the first occurrence and \$1,000 for the second and each subsequent occurrence (currently, the person is guilty of a Class A misdemeanor for a first offense and a Class 4 felony for each subsequent offense). Provides that a person who fails to file certain quarterly returns shall pay a penalty of \$500 for the first occurrence and \$1,000 for the second and each subsequent occurrence (currently, the person is guilty of a Class 4 felony for a first offense and a Class 3 felony for each subsequent offense).

LRB102 21409 HLH 30525 b

FISCAL NOTE ACT
MAY APPLY

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 15 as follows:

6 (35 ILCS 505/15) (from Ch. 120, par. 431)

7 Sec. 15. 1. Any person who ~~knowingly~~ acts as a distributor
8 of motor fuel or supplier of special fuel, or receiver of fuel
9 without having a license so to do, or who ~~knowingly~~ fails or
10 refuses to file a return with the Department as provided in
11 Section 2b, Section 5, or Section 5a of this Act, or who
12 ~~knowingly~~ fails or refuses to make payment to the Department
13 as provided either in Section 2b, Section 6, Section 6a, or
14 Section 7 of this Act, shall pay the following penalty:

15 First occurrence \$ 500

16 Second and each occurrence thereafter \$1,000.

17 ~~be guilty of a Class 3 felony.~~

18 Each day any person ~~knowingly~~ acts as a distributor of motor
19 fuel, supplier of special fuel, or receiver of fuel without
20 having a license so to do or after such a license has been
21 revoked, constitutes a separate offense.

22 2. Any person who acts as a motor carrier without having a
23 valid motor fuel use tax license, issued by the Department or

1 by a member jurisdiction under the provisions of the
2 International Fuel Tax Agreement, or a valid single trip
3 permit shall pay the following penalty:

4 First occurrence \$ 500

5 Second and each occurrence thereafter \$1,000.

6 ~~is guilty of a Class A misdemeanor for a first offense and is~~
7 ~~guilty of a Class 4 felony for each subsequent offense.~~

8 Any person (i) who fails or refuses to make payment to the
9 Department as provided in Section 13a.1 of this Act or in the
10 International Fuel Tax Agreement referenced in Section 14a, or
11 (ii) who fails or refuses to make the quarterly return as
12 provided in Section 13a.3 shall pay the following penalty:

13 First occurrence \$ 500

14 Second and each occurrence thereafter \$1,000. ~~is guilty of~~

15 ~~a Class 4 felony; and for each subsequent offense, such person~~
16 ~~is guilty of a Class 3 felony.~~

17 3. In case such person acting as a distributor, receiver,
18 supplier, or motor carrier is a corporation, then the officer
19 or officers, agent or agents, employee or employees, of such
20 corporation responsible for any act of such corporation, or
21 failure of such corporation to act, which acts or failure to
22 act constitutes a violation of any of the provisions of this
23 Act as enumerated in paragraphs 1 and 2 of this Section, shall
24 be punished by such fine or imprisonment, or by both such fine
25 and imprisonment as provided in those paragraphs.

26 3.5. Any person who knowingly enters false information on

1 any supporting documentation required to be kept by Section 6
2 or 6a of this Act is guilty of a Class 3 felony.

3 3.7. Any person who knowingly attempts in any manner to
4 evade or defeat any tax imposed by this Act or the payment of
5 any tax imposed by this Act is guilty of a Class 2 felony.

6 4. Any person who refuses, upon demand, to submit for
7 inspection, books and records, or who fails or refuses to keep
8 books and records in violation of Section 12 of this Act, or
9 any distributor, receiver, or supplier who violates any
10 reasonable rule or regulation adopted by the Department for
11 the enforcement of this Act is guilty of a Class A misdemeanor.
12 Any person who acts as a blender in violation of Section 3 of
13 this Act or who having transported reportable motor fuel
14 within Section 7b of this Act fails to make the return required
15 by that Section, is guilty of a Class 4 felony.

16 5. Any person licensed under Section 13a.4, 13a.5, or the
17 International Fuel Tax Agreement who: (a) fails or refuses to
18 keep records and books, as provided in Section 13a.2 or as
19 required by the terms of the International Fuel Tax Agreement,
20 (b) refuses upon demand by the Department to submit for
21 inspection and examination the records required by Section
22 13a.2 of this Act or by the terms of the International Fuel Tax
23 Agreement, or (c) violates any reasonable rule or regulation
24 adopted by the Department for the enforcement of this Act, is
25 guilty of a Class A misdemeanor.

26 6. Any person who makes any false return or report to the

1 Department as to any material fact required by Sections 2b, 5,
2 5a, 7, 13, or 13a.3 of this Act or by the International Fuel
3 Tax Agreement is guilty of a Class 2 felony.

4 7. A prosecution for any violation of this Section may be
5 commenced anytime within 5 years of the commission of that
6 violation. A prosecution for tax evasion as set forth in
7 paragraph 3.7 of this Section may be prosecuted any time
8 within 5 years of the commission of the last act in furtherance
9 of evasion. The running of the period of limitations under
10 this Section shall be suspended while any proceeding or appeal
11 from any proceeding relating to the quashing or enforcement of
12 any grand jury or administrative subpoena issued in connection
13 with an investigation of the violation of any provision of
14 this Act is pending.

15 8. Any person who provides false documentation required by
16 any Section of this Act is guilty of a Class 4 felony.

17 9. Any person filing a fraudulent application or order
18 form under any provision of this Act is guilty of a Class A
19 misdemeanor. For each subsequent offense, the person is guilty
20 of a Class 4 felony.

21 10. Any person who acts as a motor carrier and who fails to
22 carry a manifest as provided in Section 5.5 is guilty of a
23 Class A misdemeanor. For each subsequent offense, the person
24 is guilty of a Class 4 felony.

25 11. Any person who knowingly sells or attempts to sell
26 dyed diesel fuel for highway use or for use by

1 recreational-type watercraft on the waters of this State is
2 guilty of a Class 4 felony. For each subsequent offense, the
3 person is guilty of a Class 2 felony.

4 12. Any person who knowingly possesses dyed diesel fuel
5 for highway use or for use by recreational-type watercraft on
6 the waters of this State is guilty of a Class A misdemeanor.
7 For each subsequent offense, the person is guilty of a Class 4
8 felony.

9 13. Any person who sells or transports dyed diesel fuel
10 without the notice required by Section 4e shall pay the
11 following penalty:

- 12 First occurrence \$ 500
- 13 Second and each occurrence thereafter \$1,000

14 14. Any person who owns, operates, or controls any
15 container, storage tank, or facility used to store or
16 distribute dyed diesel fuel without the notice required by
17 Section 4f shall pay the following penalty:

- 18 First occurrence \$ 500
- 19 Second and each occurrence thereafter \$1,000

20 15. If a motor vehicle required to be registered for
21 highway purposes is found to have dyed diesel fuel within the
22 ordinary fuel tanks attached to the motor vehicle or if a
23 recreational-type watercraft on the waters of this State is
24 found to have dyed diesel fuel within the ordinary fuel tanks
25 attached to the watercraft, the operator shall pay the
26 following penalty:

1 First occurrence \$1,000

2 Second and each occurrence thereafter \$5,000

3 16. Any licensed motor fuel distributor or licensed
4 supplier who sells or attempts to sell dyed diesel fuel for
5 highway use or for use by recreational-type watercraft on the
6 waters of this State shall pay the following penalty:

7 First occurrence \$1,000

8 Second and each occurrence thereafter \$5,000

9 17. Any person who knowingly sells or distributes dyed
10 diesel fuel without the notice required by Section 4e is
11 guilty of a petty offense. For each subsequent offense, the
12 person is guilty of a Class A misdemeanor.

13 18. Any person who knowingly owns, operates, or controls
14 any container, storage tank, or facility used to store or
15 distribute dyed diesel fuel without the notice required by
16 Section 4f is guilty of a petty offense. For each subsequent
17 offense the person is guilty of a Class A misdemeanor.

18 For purposes of this Section, dyed diesel fuel means any
19 dyed diesel fuel whether or not dyed pursuant to Section 4d of
20 this Law.

21 Any person aggrieved by any action of the Department under
22 item 13, 14, 15, or 16 of this Section may protest the action
23 by making a written request for a hearing within 60 days of the
24 original action. If the hearing is not requested in writing
25 within 60 days, the original action is final.

26 All penalties received under items 13, 14, 15, and 16 of

1 this Section shall be deposited into the Tax Compliance and
2 Administration Fund.

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