

SB3662



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3662

Introduced 1/21/2022, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

35 ILCS 505/5	from Ch. 120, par. 421
35 ILCS 505/5a	from Ch. 120, par. 421a
35 ILCS 505/6	from Ch. 120, par. 422
35 ILCS 505/6a	from Ch. 120, par. 422a

Amends the Motor Fuel Tax Law. Provides that certain provisions of the Act apply only when the sale of motor fuel is made for use by the purchaser and not for resale. Effective immediately.

LRB102 23497 HLH 32676 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 Sections 5, 5a, 6, and 6a as follows:

6 (35 ILCS 505/5) (from Ch. 120, par. 421)

7 Sec. 5. Distributor's monthly return. Except as
8 hereinafter provided, a person holding a valid unrevoked
9 license to act as a distributor of motor fuel shall, between
10 the 1st and 20th days of each calendar month, make return to
11 the Department, showing an itemized statement of the number of
12 invoiced gallons of motor fuel of the types specified in this
13 Section which were purchased, acquired, received, or exported
14 during the preceding calendar month; the amount of such motor
15 fuel produced, refined, compounded, manufactured, blended,
16 sold, distributed, exported, and used by the licensed
17 distributor during the preceding calendar month; the amount of
18 such motor fuel lost or destroyed during the preceding
19 calendar month; the amount of such motor fuel on hand at the
20 close of business for such month; and such other reasonable
21 information as the Department may require. If a distributor's
22 only activities with respect to motor fuel are either: (1)
23 production of alcohol in quantities of less than 10,000 proof

1 gallons per year or (2) blending alcohol in quantities of less
2 than 10,000 proof gallons per year which such distributor has
3 produced, he shall file returns on an annual basis with the
4 return for a given year being due by January 20 of the
5 following year. Distributors whose total production of alcohol
6 (whether blended or not) exceeds 10,000 proof gallons per
7 year, based on production during the preceding (calendar) year
8 or as reasonably projected by the Department if one calendar
9 year's record of production cannot be established, shall file
10 returns between the 1st and 20th days of each calendar month as
11 hereinabove provided.

12 The types of motor fuel referred to in the preceding
13 paragraph are: (A) All products commonly or commercially known
14 or sold as gasoline (including casing-head and absorption or
15 natural gasoline), gasohol, motor benzol or motor benzene
16 regardless of their classification or uses; and (B) all
17 combustible gases, not including liquefied natural gas, which
18 exist in a gaseous state at 60 degrees Fahrenheit and at 14.7
19 pounds per square inch absolute including, but not limited to,
20 liquefied petroleum gases used for highway purposes; and (C)
21 special fuel. Only those quantities of combustible gases
22 (example (B) above) which are used or sold by the distributor
23 to be used to propel motor vehicles on the public highways, or
24 which are delivered into a storage tank that is located at a
25 facility that has withdrawal facilities which are readily
26 accessible to and are capable of dispensing combustible gases

1 into the fuel supply tanks of motor vehicles, shall be subject
2 to return. Distributors of liquefied natural gas are not
3 required to make returns under this Section with respect to
4 that liquefied natural gas unless (i) the liquefied natural
5 gas is dispensed into the fuel supply tank of any motor vehicle
6 or (ii) the liquefied natural gas is delivered into a storage
7 tank that is located at a facility that has withdrawal
8 facilities which are readily accessible to and are capable of
9 dispensing liquefied natural gas into the fuel supply tanks of
10 motor vehicles. For purposes of this Section, a facility is
11 considered to have withdrawal facilities that are not "readily
12 accessible to and capable of dispensing combustible gases into
13 the fuel supply tanks of motor vehicles" only if the
14 combustible gases or liquefied natural gas are delivered from:
15 (i) a dispenser hose that is short enough so that it will not
16 reach the fuel supply tank of a motor vehicle or (ii) a
17 dispenser that is enclosed by a fence or other physical
18 barrier so that a vehicle cannot pull alongside the dispenser
19 to permit fueling. For the purposes of this Act, liquefied
20 petroleum gases shall mean and include any material having a
21 vapor pressure not exceeding that allowed for commercial
22 propane composed predominantly of the following hydrocarbons,
23 either by themselves or as mixtures: Propane, Propylene,
24 Butane (normal butane or iso-butane) and Butylene (including
25 isomers).

26 In case of a sale of special fuel to someone other than a

1 licensed distributor, or a licensed supplier, for a use only
2 by the purchaser other than in motor vehicles and not for
3 resale, the distributor shall show in his return the amount of
4 invoiced gallons sold and the name and address of the
5 purchaser in addition to any other information the Department
6 may require.

7 All special fuel sold or used for non-highway purposes
8 must have a dye added in accordance with Section 4d of this
9 Law.

10 In case of a tax-free sale, as provided in Section 6, of
11 motor fuel which the distributor is required by this Section
12 to include in his return to the Department, the distributor in
13 his return shall show: (1) If the sale is made to another
14 licensed distributor the amount sold and the name, address and
15 license number of the purchasing distributor; (2) if the sale
16 is made to a person where delivery is made outside of this
17 State the name and address of such purchaser and the point of
18 delivery together with the date and amount delivered; (3) if
19 the sale is made to the Federal Government or its
20 instrumentalities the amount sold; (4) if the sale is made to a
21 municipal corporation owning and operating a local
22 transportation system for public service in this State the
23 name and address of such purchaser, and the amount sold, as
24 evidenced by official forms of exemption certificates properly
25 executed and furnished by such purchaser; (5) if the sale is
26 made to a privately owned public utility owning and operating

1 2-axle vehicles designed and used for transporting more than 7
2 passengers, which vehicles are used as common carriers in
3 general transportation of passengers, are not devoted to any
4 specialized purpose and are operated entirely within the
5 territorial limits of a single municipality or of any group of
6 contiguous municipalities or in a close radius thereof, and
7 the operations of which are subject to the regulations of the
8 Illinois Commerce Commission, then the name and address of
9 such purchaser and the amount sold as evidenced by official
10 forms of exemption certificates properly executed and
11 furnished by the purchaser; (6) if the product sold is special
12 fuel and if the sale is made to a licensed supplier under
13 conditions which qualify the sale for tax exemption under
14 Section 6 of this Act, the amount sold and the name, address
15 and license number of the purchaser; and (7) if a sale of
16 special fuel is made to someone other than a licensed
17 distributor, or a licensed supplier, for a use only by the
18 purchaser other than in motor vehicles and not for resale, by
19 making a specific notation thereof on the invoice or sales
20 slip covering such sales and obtaining such supporting
21 documentation as may be required by the Department.

22 All special fuel sold or used for non-highway purposes
23 must have a dye added in accordance with Section 4d of this
24 Law.

25 A person whose license to act as a distributor of motor
26 fuel has been revoked shall make a return to the Department

1 covering the period from the date of the last return to the
2 date of the revocation of the license, which return shall be
3 delivered to the Department not later than 10 days from the
4 date of the revocation or termination of the license of such
5 distributor; the return shall in all other respects be subject
6 to the same provisions and conditions as returns by
7 distributors licensed under the provisions of this Act.

8 The records, waybills and supporting documents kept by
9 railroads and other common carriers in the regular course of
10 business shall be prima facie evidence of the contents and
11 receipt of cars or tanks covered by those records, waybills or
12 supporting documents.

13 If the Department has reason to believe and does believe
14 that the amount shown on the return as purchased, acquired,
15 received, exported, sold, used, lost or destroyed is
16 incorrect, or that an amount of motor fuel of the types
17 required by the second paragraph of this Section to be
18 reported to the Department has not been correctly reported the
19 Department shall fix an amount for such receipt, sales,
20 export, use, loss or destruction according to its best
21 judgment and information, which amount so fixed by the
22 Department shall be prima facie correct. All returns shall be
23 made on forms prepared and furnished by the Department, and
24 shall contain such other information as the Department may
25 reasonably require. The return must be accompanied by
26 appropriate computer-generated magnetic media supporting

1 schedule data in the format required by the Department,
2 unless, as provided by rule, the Department grants an
3 exception upon petition of a taxpayer. All licensed
4 distributors shall report all losses of motor fuel sustained
5 on account of fire, theft, spillage, spoilage, leakage, or any
6 other provable cause when filing the return for the period
7 during which the loss occurred. If the distributor reports
8 losses due to fire or theft, then the distributor must include
9 fire department or police department reports and any other
10 documentation that the Department may require. The mere making
11 of the report does not assure the allowance of the loss as a
12 reduction in tax liability. Losses of motor fuel as the result
13 of evaporation or shrinkage due to temperature variations may
14 not exceed 1% of the total gallons in storage at the beginning
15 of the month, plus the receipts of gallonage during the month,
16 minus the gallonage remaining in storage at the end of the
17 month. Any loss reported that is in excess of 1% shall be
18 subject to the tax imposed by Section 2 of this Law. On and
19 after July 1, 2001, for each 6-month period January through
20 June, net losses of motor fuel (for each category of motor fuel
21 that is required to be reported on a return) as the result of
22 evaporation or shrinkage due to temperature variations may not
23 exceed 1% of the total gallons in storage at the beginning of
24 each January, plus the receipts of gallonage each January
25 through June, minus the gallonage remaining in storage at the
26 end of each June. On and after July 1, 2001, for each 6-month

1 period July through December, net losses of motor fuel (for
2 each category of motor fuel that is required to be reported on
3 a return) as the result of evaporation or shrinkage due to
4 temperature variations may not exceed 1% of the total gallons
5 in storage at the beginning of each July, plus the receipts of
6 gallonage each July through December, minus the gallonage
7 remaining in storage at the end of each December. Any net loss
8 reported that is in excess of this amount shall be subject to
9 the tax imposed by Section 2 of this Law. For purposes of this
10 Section, "net loss" means the number of gallons gained through
11 temperature variations minus the number of gallons lost
12 through temperature variations or evaporation for each of the
13 respective 6-month periods.

14 If any payment provided for in this Section exceeds the
15 distributor's liabilities under this Act, as shown on an
16 original return, the Department may authorize the distributor
17 to credit such excess payment against liability subsequently
18 to be remitted to the Department under this Act, in accordance
19 with reasonable rules adopted by the Department. If the
20 Department subsequently determines that all or any part of the
21 credit taken was not actually due to the distributor, the
22 distributor's discount shall be reduced by an amount equal to
23 the difference between the discount as applied to the credit
24 taken and that actually due, and that distributor shall be
25 liable for penalties and interest on such difference.

26 (Source: P.A. 100-9, eff. 7-1-17; 100-1171, eff. 1-4-19.)

1 (35 ILCS 505/5a) (from Ch. 120, par. 421a)

2 Sec. 5a. Supplier's monthly return. A person holding a
3 valid unrevoked license to act as a supplier of special fuel
4 shall, between the 1st and 20th days of each calendar month,
5 make return to the Department showing an itemized statement of
6 the number of invoiced gallons of special fuel acquired,
7 received, purchased, sold, exported, or used during the
8 preceding calendar month; the amount of special fuel sold,
9 distributed, exported, and used by the licensed supplier
10 during the preceding calendar month; the amount of special
11 fuel lost or destroyed during the preceding calendar month;
12 the amount of special fuel on hand at the close of business for
13 the preceding calendar month; and such other reasonable
14 information as the Department may require.

15 A person whose license to act as a supplier of special fuel
16 has been revoked shall make a return to the Department
17 covering the period from the date of the last return to the
18 date of the revocation of the license, which return shall be
19 delivered to the Department not later than 10 days from the
20 date of the revocation or termination of the license of such
21 supplier. The return shall in all other respects be subject to
22 the same provisions and conditions as returns by suppliers
23 licensed under this Act.

24 The records, waybills and supporting documents kept by
25 railroads and other common carriers in the regular course of

1 business shall be prima facie evidence of the contents and
2 receipt of cars or tanks covered by those records, waybills or
3 supporting documents.

4 If the Department has reason to believe and does believe
5 that the amount shown on the return as purchased, acquired,
6 received, sold, exported, used, or lost is incorrect, or that
7 an amount of special fuel of the type required by the 1st
8 paragraph of this Section to be reported to the Department by
9 suppliers has not been correctly reported as a purchase,
10 receipt, sale, use, export, or loss the Department shall fix
11 an amount for such purchase, receipt, sale, use, export, or
12 loss according to its best judgment and information, which
13 amount so fixed by the Department shall be prima facie
14 correct. All licensed suppliers shall report all losses of
15 special fuel sustained on account of fire, theft, spillage,
16 spoilage, leakage, or any other provable cause when filing the
17 return for the period during which the loss occurred. If the
18 supplier reports losses due to fire or theft, then the
19 supplier must include fire department or police department
20 reports and any other documentation that the Department may
21 require. The mere making of the report does not assure the
22 allowance of the loss as a reduction in tax liability. Losses
23 of special fuel as the result of evaporation or shrinkage due
24 to temperature variations may not exceed 1% of the total
25 gallons in storage at the beginning of the month, plus the
26 receipts of gallonage during the month, minus the gallonage

1 remaining in storage at the end of the month.

2 Any loss reported that is in excess of 1% shall be subject
3 to the tax imposed by Section 2 of this Law. On and after July
4 1, 2001, for each 6-month period January through June, net
5 losses of special fuel (for each category of special fuel that
6 is required to be reported on a return) as the result of
7 evaporation or shrinkage due to temperature variations may not
8 exceed 1% of the total gallons in storage at the beginning of
9 each January, plus the receipts of gallonage each January
10 through June, minus the gallonage remaining in storage at the
11 end of each June. On and after July 1, 2001, for each 6-month
12 period July through December, net losses of special fuel (for
13 each category of special fuel that is required to be reported
14 on a return) as the result of evaporation or shrinkage due to
15 temperature variations may not exceed 1% of the total gallons
16 in storage at the beginning of each July, plus the receipts of
17 gallonage each July through December, minus the gallonage
18 remaining in storage at the end of each December. Any net loss
19 reported that is in excess of this amount shall be subject to
20 the tax imposed by Section 2 of this Law. For purposes of this
21 Section, "net loss" means the number of gallons gained through
22 temperature variations minus the number of gallons lost
23 through temperature variations or evaporation for each of the
24 respective 6-month periods.

25 In case of a sale of special fuel to someone other than a
26 licensed distributor or licensed supplier for a use only by

1 the purchaser other than in motor vehicles and not for resale,
2 the supplier shall show in his return the amount of invoiced
3 gallons sold and the name and address of the purchaser in
4 addition to any other information the Department may require.

5 All special fuel sold or used for non-highway purposes
6 must have a dye added in accordance with Section 4d of this
7 Law.

8 All returns shall be made on forms prepared and furnished
9 by the Department and shall contain such other information as
10 the Department may reasonably require. The return must be
11 accompanied by appropriate computer-generated magnetic media
12 supporting schedule data in the format required by the
13 Department, unless, as provided by rule, the Department grants
14 an exception upon petition of a taxpayer.

15 In case of a tax-free sale, as provided in Section 6a, of
16 special fuel which the supplier is required by this Section to
17 include in his return to the Department, the supplier in his
18 return shall show: (1) If the sale of special fuel is made to
19 the Federal Government or its instrumentalities; (2) if the
20 sale of special fuel is made to a municipal corporation owning
21 and operating a local transportation system for public service
22 in this State, the name and address of such purchaser and the
23 amount sold, as evidenced by official forms of exemption
24 certificates properly executed and furnished by such
25 purchaser; (3) if the sale of special fuel is made to a
26 privately owned public utility owning and operating 2-axle

1 vehicles designed and used for transporting more than 7
2 passengers, which vehicles are used as common carriers in
3 general transportation of passengers, are not devoted to any
4 specialized purpose and are operated entirely within the
5 territorial limits of a single municipality or of any group of
6 contiguous municipalities or in a close radius thereof, and
7 the operations of which are subject to the regulations of the
8 Illinois Commerce Commission, then the name and address of
9 such purchaser and the amount sold, as evidenced by official
10 forms of exemption certificates properly executed and
11 furnished by such purchaser; (4) if the product sold is
12 special fuel and if the sale is made to a licensed supplier or
13 to a licensed distributor under conditions which qualify the
14 sale for tax exemption under Section 6a of this Act, the amount
15 sold and the name, address and license number of such
16 purchaser; (5) if a sale of special fuel is made to a person
17 where delivery is made outside of this State, the name and
18 address of such purchaser and the point of delivery together
19 with the date and amount of invoiced gallons delivered; and
20 (6) if a sale of special fuel is made to someone other than a
21 licensed distributor or a licensed supplier, for a use only by
22 the purchaser other than in motor vehicles and not for resale,
23 by making a specific notation thereof on the invoice or sales
24 slip covering that sale and obtaining such supporting
25 documentation as may be required by the Department.

26 All special fuel sold or used for non-highway purposes

1 must have a dye added in accordance with Section 4d of this
2 Law.

3 If any payment provided for in this Section exceeds the
4 supplier's liabilities under this Act, as shown on an original
5 return, the Department may authorize the supplier to credit
6 such excess payment against liability subsequently to be
7 remitted to the Department under this Act, in accordance with
8 reasonable rules adopted by the Department. If the Department
9 subsequently determines that all or any part of the credit
10 taken was not actually due to the supplier, the supplier's
11 discount shall be reduced by an amount equal to the difference
12 between the discount as applied to the credit taken and that
13 actually due, and that supplier shall be liable for penalties
14 and interest on such difference.

15 (Source: P.A. 100-1171, eff. 1-4-19.)

16 (35 ILCS 505/6) (from Ch. 120, par. 422)

17 Sec. 6. Collection of tax; distributors. A distributor who
18 sells or distributes any motor fuel, which he is required by
19 Section 5 to report to the Department when filing a return,
20 shall (except as hereinafter provided) collect at the time of
21 such sale and distribution, the amount of tax imposed under
22 this Act on all such motor fuel sold and distributed, and at
23 the time of making a return, the distributor shall pay to the
24 Department the amount so collected less a discount of 2%
25 through June 30, 2003 and 1.75% thereafter which is allowed to

1 reimburse the distributor for the expenses incurred in keeping
2 records, preparing and filing returns, collecting and
3 remitting the tax and supplying data to the Department on
4 request, and shall also pay to the Department an amount equal
5 to the amount that would be collectible as a tax in the event
6 of a sale thereof on all such motor fuel used by said
7 distributor during the period covered by the return. However,
8 no payment shall be made based upon dyed diesel fuel used by
9 the distributor for non-highway purposes. The discount shall
10 only be applicable to the amount of tax payment which
11 accompanies a return which is filed timely in accordance with
12 Section 5 of this Act. In each subsequent sale of motor fuel on
13 which the amount of tax imposed under this Act has been
14 collected as provided in this Section, the amount so collected
15 shall be added to the selling price, so that the amount of tax
16 is paid ultimately by the user of the motor fuel. However, no
17 collection or payment shall be made in the case of the sale or
18 use of any motor fuel to the extent to which such sale or use
19 of motor fuel may not, under the constitution and statutes of
20 the United States, be made the subject of taxation by this
21 State. A person whose license to act as a distributor of fuel
22 has been revoked shall, at the time of making a return, also
23 pay to the Department an amount equal to the amount that would
24 be collectible as a tax in the event of a sale thereof on all
25 motor fuel, which he is required by the second paragraph of
26 Section 5 to report to the Department in making a return, and

1 which he had on hand on the date on which the license was
2 revoked, and with respect to which no tax had been previously
3 paid under this Act.

4 A distributor may make tax free sales of motor fuel, with
5 respect to which he is otherwise required to collect the tax,
6 only as specified in the following items 1 through 7.

7 1. When the sale is made to a person holding a valid
8 unrevoked license as a distributor, by making a specific
9 notation thereof on invoices or sales slip covering each
10 sale.

11 2. When the sale is made with delivery to a purchaser
12 outside of this State.

13 3. When the sale is made to the Federal Government or
14 its instrumentalities.

15 4. When the sale is made to a municipal corporation
16 owning and operating a local transportation system for
17 public service in this State when an official certificate
18 of exemption is obtained in lieu of the tax.

19 5. When the sale is made to a privately owned public
20 utility owning and operating 2 axle vehicles designed and
21 used for transporting more than 7 passengers, which
22 vehicles are used as common carriers in general
23 transportation of passengers, are not devoted to any
24 specialized purpose and are operated entirely within the
25 territorial limits of a single municipality or of any
26 group of contiguous municipalities, or in a close radius

1 thereof, and the operations of which are subject to the
2 regulations of the Illinois Commerce Commission, when an
3 official certificate of exemption is obtained in lieu of
4 the tax.

5 6. When a sale of special fuel is made to a person
6 holding a valid, unrevoked license as a supplier, by
7 making a specific notation thereof on the invoice or sales
8 slip covering each such sale.

9 7. When a sale of dyed diesel fuel is made to someone
10 other than a licensed distributor or a licensed supplier
11 for non-highway use only by the purchaser and not for
12 resale, purposes and the fuel is (i) delivered from a
13 vehicle designed for the specific purpose of such sales
14 and delivered directly into a stationary bulk storage tank
15 that displays the notice required by Section 4f of this
16 Act, (ii) delivered from a vehicle designed for the
17 specific purpose of such sales and delivered directly into
18 the fuel supply tanks of non-highway vehicles that are not
19 required to be registered for highway use, or (iii)
20 dispensed from a dyed diesel fuel dispensing facility that
21 has withdrawal facilities that are not readily accessible
22 to and are not capable of dispensing dyed diesel fuel into
23 the fuel supply tank of a motor vehicle.

24 A specific notation is required on the invoice or
25 sales slip covering such sales, and any supporting
26 documentation that may be required by the Department must

1 be obtained by the distributor. The distributor shall
2 obtain and keep the supporting documentation in such form
3 as the Department may require by rule.

4 For purposes of this item 7, a dyed diesel fuel
5 dispensing facility is considered to have withdrawal
6 facilities that are "not readily accessible to and not
7 capable of dispensing dyed diesel fuel into the fuel
8 supply tank of a motor vehicle" only if the dyed diesel
9 fuel is delivered from: (i) a dispenser hose that is short
10 enough so that it will not reach the fuel supply tank of a
11 motor vehicle or (ii) a dispenser that is enclosed by a
12 fence or other physical barrier so that a vehicle cannot
13 pull alongside the dispenser to permit fueling.

14 8. (Blank).

15 All special fuel sold or used for non-highway purposes
16 must have a dye added in accordance with Section 4d of this
17 Law.

18 All suits or other proceedings brought for the purpose of
19 recovering any taxes, interest or penalties due the State of
20 Illinois under this Act may be maintained in the name of the
21 Department.

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

23 (35 ILCS 505/6a) (from Ch. 120, par. 422a)

24 Sec. 6a. Collection of tax; suppliers. A supplier, other
25 than a licensed distributor, who sells or distributes any

1 special fuel, which he is required by Section 5a to report to
2 the Department when filing a return, shall (except as
3 hereinafter provided) collect at the time of such sale and
4 distribution, the amount of tax imposed under this Act on all
5 such special fuel sold and distributed, and at the time of
6 making a return, the supplier shall pay to the Department the
7 amount so collected less a discount of 2% through June 30, 2003
8 and 1.75% thereafter which is allowed to reimburse the
9 supplier for the expenses incurred in keeping records,
10 preparing and filing returns, collecting and remitting the tax
11 and supplying data to the Department on request, and shall
12 also pay to the Department an amount equal to the amount that
13 would be collectible as a tax in the event of a sale thereof on
14 all such special fuel used by said supplier during the period
15 covered by the return. However, no payment shall be made based
16 upon dyed diesel fuel used by said supplier for non-highway
17 purposes. The discount shall only be applicable to the amount
18 of tax payment which accompanies a return which is filed
19 timely in accordance with Section 5(a) of this Act. In each
20 subsequent sale of special fuel on which the amount of tax
21 imposed under this Act has been collected as provided in this
22 Section, the amount so collected shall be added to the selling
23 price, so that the amount of tax is paid ultimately by the user
24 of the special fuel. However, no collection or payment shall
25 be made in the case of the sale or use of any special fuel to
26 the extent to which such sale or use of motor fuel may not,

1 under the Constitution and statutes of the United States, be
2 made the subject of taxation by this State.

3 A person whose license to act as supplier of special fuel
4 has been revoked shall, at the time of making a return, also
5 pay to the Department an amount equal to the amount that would
6 be collectible as a tax in the event of a sale thereof on all
7 special fuel, which he is required by the 1st paragraph of
8 Section 5a to report to the Department in making a return.

9 A supplier may make tax-free sales of special fuel, with
10 respect to which he is otherwise required to collect the tax,
11 only as specified in the following items 1 through 7.

12 1. When the sale is made to the federal government or
13 its instrumentalities.

14 2. When the sale is made to a municipal corporation
15 owning and operating a local transportation system for
16 public service in this State when an official certificate
17 of exemption is obtained in lieu of the tax.

18 3. When the sale is made to a privately owned public
19 utility owning and operating 2 axle vehicles designed and
20 used for transporting more than 7 passengers, which
21 vehicles are used as common carriers in general
22 transportation of passengers, are not devoted to any
23 specialized purpose and are operated entirely within the
24 territorial limits of a single municipality or of any
25 group of contiguous municipalities, or in a close radius
26 thereof, and the operations of which are subject to the

1 regulations of the Illinois Commerce Commission, when an
2 official certificate of exemption is obtained in lieu of
3 the tax.

4 4. When a sale is made to a person holding a valid
5 unrevoked license as a supplier or a distributor by making
6 a specific notation thereof on invoice or sales slip
7 covering each such sale.

8 5. When a sale of dyed diesel fuel is made to someone
9 other than a licensed distributor or licensed supplier for
10 non-highway use only by the purchaser and not for resale,
11 ~~purposes~~ and the fuel is (i) delivered from a vehicle
12 designed for the specific purpose of such sales and
13 delivered directly into a stationary bulk storage tank
14 that displays the notice required by Section 4f of this
15 Act, (ii) delivered from a vehicle designed for the
16 specific purpose of such sales and delivered directly into
17 the fuel supply tanks of non-highway vehicles that are not
18 required to be registered for highway use, or (iii)
19 dispensed from a dyed diesel fuel dispensing facility that
20 has withdrawal facilities that are not readily accessible
21 to and are not capable of dispensing dyed diesel fuel into
22 the fuel supply tank of a motor vehicle.

23 A specific notation is required on the invoice or
24 sales slip covering such sales, and any supporting
25 documentation that may be required by the Department must
26 be obtained by the supplier. The supplier shall obtain and

1 keep the supporting documentation in such form as the
2 Department may require by rule.

3 For purposes of this item 5, a dyed diesel fuel
4 dispensing facility is considered to have withdrawal
5 facilities that are "not readily accessible to and not
6 capable of dispensing dyed diesel fuel into the fuel
7 supply tank of a motor vehicle" only if the dyed diesel
8 fuel is delivered from: (i) a dispenser hose that is short
9 enough so that it will not reach the fuel supply tank of a
10 motor vehicle or (ii) a dispenser that is enclosed by a
11 fence or other physical barrier so that a vehicle cannot
12 pull alongside the dispenser to permit fueling.

13 6. (Blank).

14 7. When a sale of special fuel is made to a person
15 where delivery is made outside of this State.

16 All special fuel sold or used for non-highway purposes
17 must have a dye added in accordance with Section 4d of this
18 Law.

19 All suits or other proceedings brought for the purpose of
20 recovering any taxes, interest or penalties due the State of
21 Illinois under this Act may be maintained in the name of the
22 Department.

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

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