



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004
HB7305

Introduced 5/26/2004, by Rep. William B. Black

SYNOPSIS AS INTRODUCED:

35 ILCS 505/2

from Ch. 120, par. 418

Amends the Motor Fuel Tax Law to reduce the rate of tax from 19 cents to 9 cents per gallon for a period of 6 months beginning on the first day of the first month that begins at least 30 days after the effective date of this amendatory Act. Effective immediately.

LRB093 22400 EFG 51702 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning motor fuel taxes.

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, the rate of tax imposed in this
17 paragraph shall be 19 cents per gallon; except that for a
18 period of 6 months beginning on the first day of the first
19 month that begins at least 30 days after the effective date of
20 this amendatory Act of the 93rd General Assembly, the rate of
21 tax imposed in this paragraph shall be 9 cents per gallon
22 rather than 19 cents.

23 (b) The tax on the privilege of operating motor vehicles
24 which use diesel fuel shall be the rate according to paragraph
25 (a) plus an additional 2 1/2 cents per gallon. "Diesel fuel" is
26 defined as any product intended for use or offered for sale as
27 a fuel for engines in which the fuel is injected into the
28 combustion chamber and ignited by pressure without electric
29 spark.

30 (c) A tax is imposed upon the privilege of engaging in the
31 business of selling motor fuel as a retailer or reseller on all
32 motor fuel used in motor vehicles operating on the public

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

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

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

14 (d) Except as provided in Section 2a, the collection of a
15 tax based on gallonage of gasoline used for the propulsion of
16 any aircraft is prohibited on and after October 1, 1979.

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

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

36 (Source: P.A. 93-17, eff. 6-11-03.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.