

HB1221



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1221

by Rep. Amy L. Grant

SYNOPSIS AS INTRODUCED:

35 ILCS 505/2

from Ch. 120, par. 418

Amends the Motor Fuel Tax Law. Provides that an increase in the rate of tax based on the change in the Consumer Price Index shall not occur until July 1, 2023 (currently, January 1, 2023). Ends a requirement that retailers of motor fuel shall cause a notice to be placed on retail dispensing devices. Effective immediately.

LRB103 04783 HLH 49793 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 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, 2020, the rate of tax imposed in this
20 paragraph shall be 38 cents per gallon. Beginning July 1, 2020
21 and until July 1, 2021, the rate of tax imposed in this
22 paragraph shall be 38.7 cents per gallon. Beginning July 1,
23 2021 and until July 1, 2023 ~~January 1, 2023~~, the rate of tax

1 imposed in this paragraph shall be 39.2 cents per gallon. ~~On~~
2 ~~January 1, 2023, the rate of tax imposed in this paragraph~~
3 ~~shall be increased by an amount equal to the percentage~~
4 ~~increase, if any, in the Consumer Price Index for All Urban~~
5 ~~Consumers for all items published by the United States~~
6 ~~Department of Labor for the 12 months ending in September of~~
7 ~~2022.~~ On July 1, 2023, and on July 1 of each subsequent year,
8 the rate of tax imposed in this paragraph shall be increased by
9 an amount equal to the percentage increase, if any, in the
10 Consumer Price Index for All Urban Consumers for all items
11 published by the United States Department of Labor for the 12
12 months ending in March of the year in which the increase takes
13 place. The rate shall be rounded to the nearest one-tenth of
14 one cent.

15 (a-5) Beginning on July 1, 2022 and through the effective
16 date of this amendatory Act of the 103rd General Assembly,
17 ~~December 31, 2022,~~ each retailer of motor fuel shall cause the
18 following notice to be posted in a prominently visible place
19 on each retail dispensing device that is used to dispense
20 motor fuel in the State of Illinois: "As of July 1, 2022, the
21 State of Illinois has suspended the inflation adjustment to
22 the motor fuel tax through December 31, 2022. The price on this
23 pump should reflect the suspension of the tax increase." The
24 notice shall be printed in bold print on a sign that is no
25 smaller than 4 inches by 8 inches. The sign shall be clearly
26 visible to customers. Any retailer who fails to post or

1 maintain a required sign through the effective date of this
2 amendatory Act of the 103rd General Assembly ~~December 31, 2022~~
3 is guilty of a petty offense for which the fine shall be \$500
4 per day per each retail premises where a violation occurs.

5 (b) Until July 1, 2019, the tax on the privilege of
6 operating motor vehicles which use diesel fuel, liquefied
7 natural gas, or propane shall be the rate according to
8 paragraph (a) plus an additional 2 1/2 cents per gallon.
9 Beginning July 1, 2019, the tax on the privilege of operating
10 motor vehicles which use diesel fuel, liquefied natural gas,
11 or propane shall be the rate according to subsection (a) plus
12 an additional 7.5 cents per gallon. "Diesel fuel" is defined
13 as any product intended for use or offered for sale as a fuel
14 for engines in which the fuel is injected into the combustion
15 chamber and ignited by pressure without electric spark.

16 (c) A tax is imposed upon the privilege of engaging in the
17 business of selling motor fuel as a retailer or reseller on all
18 motor fuel used in motor vehicles operating on the public
19 highways and recreational type watercraft operating upon the
20 waters of this State: (1) at the rate of 3 cents per gallon on
21 motor fuel owned or possessed by such retailer or reseller at
22 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents
23 per gallon on motor fuel owned or possessed by such retailer or
24 reseller at 12:01 A.M. on January 1, 1990.

25 Retailers and resellers who are subject to this additional
26 tax shall be required to inventory such motor fuel and pay this

1 additional tax in a manner prescribed by the Department of
2 Revenue.

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

6 (d) Except as provided in Section 2a, the collection of a
7 tax based on gallonage of gasoline used for the propulsion of
8 any aircraft is prohibited on and after October 1, 1979, and
9 the collection of a tax based on gallonage of special fuel used
10 for the propulsion of any aircraft is prohibited on and after
11 December 1, 2019.

12 (e) The collection of a tax, based on gallonage of all
13 products commonly or commercially known or sold as 1-K
14 kerosene, regardless of its classification or uses, is
15 prohibited (i) on and after July 1, 1992 until December 31,
16 1999, except when the 1-K kerosene is either: (1) delivered
17 into bulk storage facilities of a bulk user, or (2) delivered
18 directly into the fuel supply tanks of motor vehicles and (ii)
19 on and after January 1, 2000. Beginning on January 1, 2000, the
20 collection of a tax, based on gallonage of all products
21 commonly or commercially known or sold as 1-K kerosene,
22 regardless of its classification or uses, is prohibited except
23 when the 1-K kerosene is delivered directly into a storage
24 tank that is located at a facility that has withdrawal
25 facilities that are readily accessible to and are capable of
26 dispensing 1-K kerosene into the fuel supply tanks of motor

1 vehicles. For purposes of this subsection (e), a facility is
2 considered to have withdrawal facilities that are not "readily
3 accessible to and capable of dispensing 1-K kerosene into the
4 fuel supply tanks of motor vehicles" only if the 1-K kerosene
5 is delivered from: (i) a dispenser hose that is short enough so
6 that it will not reach the fuel supply tank of a motor vehicle
7 or (ii) a dispenser that is enclosed by a fence or other
8 physical barrier so that a vehicle cannot pull alongside the
9 dispenser to permit fueling.

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

14 (Source: P.A. 101-10, eff. 6-5-19; 101-32, eff. 6-28-19;
15 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.