

HB5852



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5852

by Rep. Dan Caulkins

SYNOPSIS AS INTRODUCED:

35 ILCS 505/2

from Ch. 120, par. 418

Amends the Motor Fuel Tax Law. Provides that, beginning on the effective date of the amendatory Act and continuing through June 30, 2026, the rate of tax shall be \$0.454 per gallon, plus an additional \$0.025 per gallon for diesel fuel, liquefied natural gas, or propane. Effective immediately.

LRB103 40813 HLH 73694 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 January 1, 2023, the rate of tax imposed in this

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

14 (a-5) Beginning on July 1, 2022 and through December 31,
15 2022, each retailer of motor fuel shall cause the following
16 notice to be posted in a prominently visible place on each
17 retail dispensing device that is used to dispense motor fuel
18 in the State of Illinois: "As of July 1, 2022, the State of
19 Illinois has suspended the inflation adjustment to the motor
20 fuel tax through December 31, 2022. The price on this pump
21 should reflect the suspension of the tax increase." The notice
22 shall be printed in bold print on a sign that is no smaller
23 than 4 inches by 8 inches. The sign shall be clearly visible to
24 customers. Any retailer who fails to post or maintain a
25 required sign through December 31, 2022 is guilty of a petty
26 offense for which the fine shall be \$500 per day per each

1 retail premises where a violation occurs.

2 (a-10) Beginning on the effective date of this amendatory
3 Act of the 103rd General Assembly and continuing through June
4 30, 2026, the tax rate imposed by subsection (a) shall be
5 \$0.454 per gallon. With respect to July 1 dates that fall
6 between the effective date of this amendatory Act of the 103rd
7 General Assembly and June 30, 2026, the Consumer Price Index
8 adjustment mandated under paragraph (a) shall be suspended. On
9 July 1, 2026, the Consumer Price Index adjustment mandated
10 under paragraph (a) shall resume, but Consumer Price Index
11 adjustments that would have taken place between the effective
12 date of this amendatory Act of the 103rd General Assembly and
13 June 30, 2026 shall not be included.

14 (b) Until July 1, 2019, and from the effective date of this
15 amendatory Act of the 103rd General Assembly through June 30,
16 2026, the tax on the privilege of operating motor vehicles
17 which use diesel fuel, liquefied natural gas, or propane shall
18 be the rate according to paragraph (a) plus an additional 2 1/2
19 cents per gallon. Beginning July 1, 2019, but not including
20 the period from the effective date of this amendatory Act of
21 the 103rd General Assembly through June 30, 2026, the tax on
22 the privilege of operating motor vehicles which use diesel
23 fuel, liquefied natural gas, or propane shall be the rate
24 according to subsection (a) plus an additional 7.5 cents per
25 gallon. "Diesel fuel" is defined as any product intended for
26 use or offered for sale as a fuel for engines in which the fuel

1 is injected into the combustion chamber and ignited by
2 pressure without electric spark.

3 (c) A tax is imposed upon the privilege of engaging in the
4 business of selling motor fuel as a retailer or reseller on all
5 motor fuel used in motor vehicles operating on the public
6 highways and recreational type watercraft operating upon the
7 waters of this State: (1) at the rate of 3 cents per gallon on
8 motor fuel owned or possessed by such retailer or reseller at
9 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents
10 per gallon on motor fuel owned or possessed by such retailer or
11 reseller at 12:01 A.M. on January 1, 1990.

12 Retailers and resellers who are subject to this additional
13 tax shall be required to inventory such motor fuel and pay this
14 additional tax in a manner prescribed by the Department of
15 Revenue.

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

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

25 (e) The collection of a tax, based on gallonage of all
26 products commonly or commercially known or sold as 1-K

1 kerosene, regardless of its classification or uses, is
2 prohibited (i) on and after July 1, 1992 until December 31,
3 1999, except when the 1-K kerosene is either: (1) delivered
4 into bulk storage facilities of a bulk user, or (2) delivered
5 directly into the fuel supply tanks of motor vehicles and (ii)
6 on and after January 1, 2000. Beginning on January 1, 2000, the
7 collection of a tax, based on gallonage of all products
8 commonly or commercially known or sold as 1-K kerosene,
9 regardless of its classification or uses, is prohibited except
10 when the 1-K kerosene is delivered directly into a storage
11 tank that is located at a facility that has withdrawal
12 facilities that are readily accessible to and are capable of
13 dispensing 1-K kerosene into the fuel supply tanks of motor
14 vehicles. For purposes of this subsection (e), a facility is
15 considered to have withdrawal facilities that are not "readily
16 accessible to and capable of dispensing 1-K kerosene into the
17 fuel supply tanks of motor vehicles" only if the 1-K kerosene
18 is delivered from: (i) a dispenser hose that is short enough so
19 that it will not reach the fuel supply tank of a motor vehicle
20 or (ii) a dispenser that is enclosed by a fence or other
21 physical barrier so that a vehicle cannot pull alongside the
22 dispenser to permit fueling.

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

1 (Source: P.A. 101-10, eff. 6-5-19; 101-32, eff. 6-28-19;
2 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.