



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB2613

by Rep. Adam M. Niemerg

#### SYNOPSIS AS INTRODUCED:

35 ILCS 505/2	from Ch. 120, par. 418
35 ILCS 505/8	from Ch. 120, par. 424
65 ILCS 5/8-11-2.3	

Amends the Motor Fuel Tax Law. Provides that, beginning on July 1, 2025, the rate of tax shall be \$0.19 per gallon (currently, 39.2 cents per gallon, adjusted each year according to the percentage increase in the Consumer Price Index), plus an additional 2 1/2 cents per gallon for diesel fuel, liquefied natural gas, or propane. Amends the Illinois Municipal Code. Provides that no tax may be imposed under the Municipal Motor Fuel Tax Law on or after July 1, 2025. Preempts the exercise of home rule powers. Effective immediately.

LRB104 10796 HLH 20877 b

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 2 and 8 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 and until July 1, 2025, the rate of tax imposed in this  
3 paragraph shall be increased by an amount equal to the  
4 percentage increase, if any, in the Consumer Price Index for  
5 the 12 months ending in September of 2022. Beginning on July 1,  
6 2025, the rate of tax imposed in this paragraph, including the  
7 tax on compressed natural gas, shall be \$0.19 per gallon. ~~On~~  
8 ~~July 1, 2023, and on July 1 of each subsequent year, the rate~~  
9 ~~of tax imposed in this paragraph shall be increased by an~~  
10 ~~amount equal to the percentage increase, if any, in the~~  
11 ~~Consumer Price Index for the 12 months ending in March of the~~  
12 ~~year in which the increase takes place. The percentage~~  
13 ~~increase in the Consumer Price Index shall be calculated as~~  
14 ~~follows: (1) calculate the average Consumer Price Index for~~  
15 ~~the full 12 months ending in March of the year in which the~~  
16 ~~increase takes place; (2) calculate the average Consumer Price~~  
17 ~~Index for the full 12 months ending in March of the year~~  
18 ~~immediately preceding the year in which the increase takes~~  
19 ~~place; (3) calculate the percentage increase, if any, in the~~  
20 ~~current year average determined under item (1) over the~~  
21 ~~preceding year average determined under item (2). The rate~~  
22 ~~shall be rounded to the nearest one tenth of one cent.~~

23 (a-5) Beginning on July 1, 2022 and through December 31,  
24 2022, each retailer of motor fuel shall cause the following  
25 notice to be posted in a prominently visible place on each  
26 retail dispensing device that is used to dispense motor fuel

1 in the State of Illinois: "As of July 1, 2022, the State of  
2 Illinois has suspended the inflation adjustment to the motor  
3 fuel tax through December 31, 2022. The price on this pump  
4 should reflect the suspension of the tax increase." The notice  
5 shall be printed in bold print on a sign that is no smaller  
6 than 4 inches by 8 inches. The sign shall be clearly visible to  
7 customers. Any retailer who fails to post or maintain a  
8 required sign through December 31, 2022 is guilty of a petty  
9 offense for which the fine shall be \$500 per day per each  
10 retail premises where a violation occurs.

11 (b) Until July 1, 2019 and beginning again on July 1, 2025,  
12 the tax on the privilege of operating motor vehicles which use  
13 diesel fuel, liquefied natural gas, or propane shall be the  
14 rate according to paragraph (a) plus an additional 2 1/2 cents  
15 per gallon. Beginning July 1, 2019 and until July 1, 2025, the  
16 tax on the privilege of operating motor vehicles which use  
17 diesel fuel, liquefied natural gas, or propane shall be the  
18 rate according to subsection (a) plus an additional 7.5 cents  
19 per gallon. "Diesel fuel" is defined as any product intended  
20 for use or offered for sale as a fuel for engines in which the  
21 fuel is injected into the combustion chamber and ignited by  
22 pressure without electric spark.

23 (c) A tax is imposed upon the privilege of engaging in the  
24 business of selling motor fuel as a retailer or reseller on all  
25 motor fuel used in motor vehicles operating on the public  
26 highways and recreational type watercraft operating upon the

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

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

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

13 (d) Except as provided in Section 2a, the collection of a  
14 tax based on gallonage of gasoline used for the propulsion of  
15 any aircraft is prohibited on and after October 1, 1979, and  
16 the collection of a tax based on gallonage of special fuel used  
17 for the propulsion of any aircraft is prohibited on and after  
18 December 1, 2019.

19 (e) The collection of a tax, based on gallonage of all  
20 products commonly or commercially known or sold as 1-K  
21 kerosene, regardless of its classification or uses, is  
22 prohibited (i) on and after July 1, 1992 until December 31,  
23 1999, except when the 1-K kerosene is either: (1) delivered  
24 into bulk storage facilities of a bulk user, or (2) delivered  
25 directly into the fuel supply tanks of motor vehicles and (ii)  
26 on and after January 1, 2000. Beginning on January 1, 2000, the

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

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

21 As used in this Section, "Consumer Price Index" means the  
22 index published by the Bureau of Labor Statistics of the  
23 United States Department of Labor that measures the average  
24 change in prices of goods and services purchased by all urban  
25 consumers, United States city average, all items, 1982-84 =  
26 100.

1 (Source: P.A. 102-700, eff. 4-19-22; 103-995, eff. 8-9-24.)

2 (35 ILCS 505/8) (from Ch. 120, par. 424)

3 Sec. 8. Distribution of proceeds of tax. Except as  
4 provided in subsection (a-1) of this Section, Section 8a,  
5 subdivision (h)(1) of Section 12a, Section 13a.6, and items  
6 13, 14, 15, and 16 of Section 15, all money received by the  
7 Department under this Act, including payments made to the  
8 Department by member jurisdictions participating in the  
9 International Fuel Tax Agreement, shall be deposited into a  
10 special fund in the State treasury, to be known as the Motor  
11 Fuel Tax Fund, and shall be used as follows:

12 (a) 2 1/2 cents per gallon of the tax collected on special  
13 fuel under paragraph (b) of Section 2 and Section 13a of this  
14 Act shall be transferred to the State Construction Account  
15 Fund in the State Treasury; the remainder of the tax collected  
16 on special fuel under paragraph (b) of Section 2 and Section  
17 13a of this Act shall be deposited into the Road Fund;

18 (a-1) Beginning on July 1, 2019 and until July 1, 2025, an  
19 amount equal to the amount of tax collected under subsection  
20 (a) of Section 2 and Section 13a as a result of the increase in  
21 the tax rate under subsection (a) of Section 2 authorized by  
22 Public Act 101-32 shall be deposited each month into the  
23 Transportation Renewal Fund; provided, however, that the  
24 amount that represents the part (b) portion of the rate under  
25 Section 13a shall be deposited each month into the Motor Fuel

1 Tax Fund and the Transportation Renewal Fund in the same  
2 proportion as the amount collected under subsection (a) of  
3 Section 2;

4 (b) \$420,000 shall be transferred each month to the State  
5 Boating Act Fund to be used by the Department of Natural  
6 Resources for the purposes specified in Article X of the Boat  
7 Registration and Safety Act;

8 (c) \$3,500,000 shall be transferred each month to the  
9 Grade Crossing Protection Fund to be used as follows: not less  
10 than \$12,000,000 each fiscal year shall be used for the  
11 construction or reconstruction of rail highway grade  
12 separation structures; \$5,500,000 in fiscal year 2022 and each  
13 fiscal year thereafter shall be transferred to the  
14 Transportation Regulatory Fund and shall be used to pay the  
15 cost of administration of the Illinois Commerce Commission's  
16 railroad safety program in connection with its duties under  
17 subsection (3) of Section 18c-7401 of the Illinois Vehicle  
18 Code, with the remainder to be used by the Department of  
19 Transportation upon order of the Illinois Commerce Commission,  
20 to pay that part of the cost apportioned by such Commission to  
21 the State to cover the interest of the public in the use of  
22 highways, roads, streets, or pedestrian walkways in the county  
23 highway system, township and district road system, or  
24 municipal street system as defined in the Illinois Highway  
25 Code, as the same may from time to time be amended, for  
26 separation of grades, for installation, construction or



1 reconstruction of crossing protection or reconstruction,  
2 alteration, relocation including construction or improvement  
3 of any existing highway necessary for access to property or  
4 improvement of any grade crossing and grade crossing surface  
5 including the necessary highway approaches thereto of any  
6 railroad across the highway or public road, or for the  
7 installation, construction, reconstruction, or maintenance of  
8 safety treatments to deter trespassing or a pedestrian walkway  
9 over or under a railroad right-of-way, as provided for in and  
10 in accordance with Section 18c-7401 of the Illinois Vehicle  
11 Code. The Commission may order up to \$2,000,000 per year in  
12 Grade Crossing Protection Fund moneys for the improvement of  
13 grade crossing surfaces and up to \$300,000 per year for the  
14 maintenance and renewal of 4-quadrant gate vehicle detection  
15 systems located at non-high speed rail grade crossings. In  
16 entering orders for projects for which payments from the Grade  
17 Crossing Protection Fund will be made, the Commission shall  
18 account for expenditures authorized by the orders on a cash  
19 rather than an accrual basis. For purposes of this requirement  
20 an "accrual basis" assumes that the total cost of the project  
21 is expended in the fiscal year in which the order is entered,  
22 while a "cash basis" allocates the cost of the project among  
23 fiscal years as expenditures are actually made. To meet the  
24 requirements of this subsection, the Illinois Commerce  
25 Commission shall develop annual and 5-year project plans of  
26 rail crossing capital improvements that will be paid for with

1 moneys from the Grade Crossing Protection Fund. The annual  
2 project plan shall identify projects for the succeeding fiscal  
3 year and the 5-year project plan shall identify projects for  
4 the 5 directly succeeding fiscal years. The Commission shall  
5 submit the annual and 5-year project plans for this Fund to the  
6 Governor, the President of the Senate, the Senate Minority  
7 Leader, the Speaker of the House of Representatives, and the  
8 Minority Leader of the House of Representatives on the first  
9 Wednesday in April of each year;

10 (d) of the amount remaining after allocations provided for  
11 in subsections (a), (a-1), (b), and (c), a sufficient amount  
12 shall be reserved to pay all of the following:

13 (1) the costs of the Department of Revenue in  
14 administering this Act;

15 (2) the costs of the Department of Transportation in  
16 performing its duties imposed by the Illinois Highway Code  
17 for supervising the use of motor fuel tax funds  
18 apportioned to municipalities, counties and road  
19 districts;

20 (3) refunds provided for in Section 13, refunds for  
21 overpayment of decal fees paid under Section 13a.4 of this  
22 Act, and refunds provided for under the terms of the  
23 International Fuel Tax Agreement referenced in Section  
24 14a;

25 (4) from October 1, 1985 until June 30, 1994, the  
26 administration of the Vehicle Emissions Inspection Law,

1           which amount shall be certified monthly by the  
2           Environmental Protection Agency to the State Comptroller  
3           and shall promptly be transferred by the State Comptroller  
4           and Treasurer from the Motor Fuel Tax Fund to the Vehicle  
5           Inspection Fund, and for the period July 1, 1994 through  
6           June 30, 2000, one-twelfth of \$25,000,000 each month, for  
7           the period July 1, 2000 through June 30, 2003, one-twelfth  
8           of \$30,000,000 each month, and \$15,000,000 on July 1,  
9           2003, and \$15,000,000 on January 1, 2004, and \$15,000,000  
10          on each July 1 and October 1, or as soon thereafter as may  
11          be practical, during the period July 1, 2004 through June  
12          30, 2012, and \$30,000,000 on June 1, 2013, or as soon  
13          thereafter as may be practical, and \$15,000,000 on July 1  
14          and October 1, or as soon thereafter as may be practical,  
15          during the period of July 1, 2013 through June 30, 2015,  
16          for the administration of the Vehicle Emissions Inspection  
17          Law of 2005, to be transferred by the State Comptroller  
18          and Treasurer from the Motor Fuel Tax Fund into the  
19          Vehicle Inspection Fund;

20               (4.5) beginning on July 1, 2019, the costs of the  
21               Environmental Protection Agency for the administration of  
22               the Vehicle Emissions Inspection Law of 2005 shall be  
23               paid, subject to appropriation, from the Motor Fuel Tax  
24               Fund into the Vehicle Inspection Fund; beginning in 2019,  
25               no later than December 31 of each year, or as soon  
26               thereafter as practical, the State Comptroller shall

1 direct and the State Treasurer shall transfer from the  
2 Vehicle Inspection Fund to the Motor Fuel Tax Fund any  
3 balance remaining in the Vehicle Inspection Fund in excess  
4 of \$2,000,000;

5 (5) amounts ordered paid by the Court of Claims; and

6 (6) payment of motor fuel use taxes due to member  
7 jurisdictions under the terms of the International Fuel  
8 Tax Agreement. The Department shall certify these amounts  
9 to the Comptroller by the 15th day of each month; the  
10 Comptroller shall cause orders to be drawn for such  
11 amounts, and the Treasurer shall administer those amounts  
12 on or before the last day of each month;

13 (e) after allocations for the purposes set forth in  
14 subsections (a), (a-1), (b), (c), and (d), the remaining  
15 amount shall be apportioned as follows:

16 (1) Until January 1, 2000, 58.4%, and beginning  
17 January 1, 2000, 45.6% shall be deposited as follows:

18 (A) 37% into the State Construction Account Fund,  
19 and

20 (B) 63% into the Road Fund, \$1,250,000 of which  
21 shall be reserved each month for the Department of  
22 Transportation to be used in accordance with the  
23 provisions of Sections 6-901 through 6-906 of the  
24 Illinois Highway Code;

25 (2) Until January 1, 2000, 41.6%, and beginning  
26 January 1, 2000, 54.4% shall be transferred to the

1 Department of Transportation to be distributed as follows:

2 (A) 49.10% to the municipalities of the State,

3 (B) 16.74% to the counties of the State having  
4 1,000,000 or more inhabitants,

5 (C) 18.27% to the counties of the State having  
6 less than 1,000,000 inhabitants,

7 (D) 15.89% to the road districts of the State.

8 If a township is dissolved under Article 24 of the  
9 Township Code, McHenry County shall receive any moneys  
10 that would have been distributed to the township under  
11 this subparagraph, except that a municipality that assumes  
12 the powers and responsibilities of a road district under  
13 paragraph (6) of Section 24-35 of the Township Code shall  
14 receive any moneys that would have been distributed to the  
15 township in a percent equal to the area of the dissolved  
16 road district or portion of the dissolved road district  
17 over which the municipality assumed the powers and  
18 responsibilities compared to the total area of the  
19 dissolved township. The moneys received under this  
20 subparagraph shall be used in the geographic area of the  
21 dissolved township. If a township is reconstituted as  
22 provided under Section 24-45 of the Township Code, McHenry  
23 County or a municipality shall no longer be distributed  
24 moneys under this subparagraph.

25 As soon as may be after the first day of each month, the  
26 Department of Transportation shall allot to each municipality

1 its share of the amount apportioned to the several  
2 municipalities which shall be in proportion to the population  
3 of such municipalities as determined by the last preceding  
4 municipal census if conducted by the Federal Government or  
5 Federal census. If territory is annexed to any municipality  
6 subsequent to the time of the last preceding census the  
7 corporate authorities of such municipality may cause a census  
8 to be taken of such annexed territory and the population so  
9 ascertained for such territory shall be added to the  
10 population of the municipality as determined by the last  
11 preceding census for the purpose of determining the allotment  
12 for that municipality. If the population of any municipality  
13 was not determined by the last Federal census preceding any  
14 apportionment, the apportionment to such municipality shall be  
15 in accordance with any census taken by such municipality. Any  
16 municipal census used in accordance with this Section shall be  
17 certified to the Department of Transportation by the clerk of  
18 such municipality, and the accuracy thereof shall be subject  
19 to approval of the Department which may make such corrections  
20 as it ascertains to be necessary.

21 As soon as may be after the first day of each month, the  
22 Department of Transportation shall allot to each county its  
23 share of the amount apportioned to the several counties of the  
24 State as herein provided. Each allotment to the several  
25 counties having less than 1,000,000 inhabitants shall be in  
26 proportion to the amount of motor vehicle license fees

1 received from the residents of such counties, respectively,  
2 during the preceding calendar year. The Secretary of State  
3 shall, on or before April 15 of each year, transmit to the  
4 Department of Transportation a full and complete report  
5 showing the amount of motor vehicle license fees received from  
6 the residents of each county, respectively, during the  
7 preceding calendar year. The Department of Transportation  
8 shall, each month, use for allotment purposes the last such  
9 report received from the Secretary of State.

10 As soon as may be after the first day of each month, the  
11 Department of Transportation shall allot to the several  
12 counties their share of the amount apportioned for the use of  
13 road districts. The allotment shall be apportioned among the  
14 several counties in the State in the proportion which the  
15 total mileage of township or district roads in the respective  
16 counties bears to the total mileage of all township and  
17 district roads in the State. Funds allotted to the respective  
18 counties for the use of road districts therein shall be  
19 allocated to the several road districts in the county in the  
20 proportion which the total mileage of such township or  
21 district roads in the respective road districts bears to the  
22 total mileage of all such township or district roads in the  
23 county. After July 1 of any year prior to 2011, no allocation  
24 shall be made for any road district unless it levied a tax for  
25 road and bridge purposes in an amount which will require the  
26 extension of such tax against the taxable property in any such

1 road district at a rate of not less than either .08% of the  
2 value thereof, based upon the assessment for the year  
3 immediately prior to the year in which such tax was levied and  
4 as equalized by the Department of Revenue or, in DuPage  
5 County, an amount equal to or greater than \$12,000 per mile of  
6 road under the jurisdiction of the road district, whichever is  
7 less. Beginning July 1, 2011 and each July 1 thereafter, an  
8 allocation shall be made for any road district if it levied a  
9 tax for road and bridge purposes. In counties other than  
10 DuPage County, if the amount of the tax levy requires the  
11 extension of the tax against the taxable property in the road  
12 district at a rate that is less than 0.08% of the value  
13 thereof, based upon the assessment for the year immediately  
14 prior to the year in which the tax was levied and as equalized  
15 by the Department of Revenue, then the amount of the  
16 allocation for that road district shall be a percentage of the  
17 maximum allocation equal to the percentage obtained by  
18 dividing the rate extended by the district by 0.08%. In DuPage  
19 County, if the amount of the tax levy requires the extension of  
20 the tax against the taxable property in the road district at a  
21 rate that is less than the lesser of (i) 0.08% of the value of  
22 the taxable property in the road district, based upon the  
23 assessment for the year immediately prior to the year in which  
24 such tax was levied and as equalized by the Department of  
25 Revenue, or (ii) a rate that will yield an amount equal to  
26 \$12,000 per mile of road under the jurisdiction of the road



1 district, then the amount of the allocation for the road  
2 district shall be a percentage of the maximum allocation equal  
3 to the percentage obtained by dividing the rate extended by  
4 the district by the lesser of (i) 0.08% or (ii) the rate that  
5 will yield an amount equal to \$12,000 per mile of road under  
6 the jurisdiction of the road district.

7 Prior to 2011, if any road district has levied a special  
8 tax for road purposes pursuant to Sections 6-601, 6-602, and  
9 6-603 of the Illinois Highway Code, and such tax was levied in  
10 an amount which would require extension at a rate of not less  
11 than .08% of the value of the taxable property thereof, as  
12 equalized or assessed by the Department of Revenue, or, in  
13 DuPage County, an amount equal to or greater than \$12,000 per  
14 mile of road under the jurisdiction of the road district,  
15 whichever is less, such levy shall, however, be deemed a  
16 proper compliance with this Section and shall qualify such  
17 road district for an allotment under this Section. Beginning  
18 in 2011 and thereafter, if any road district has levied a  
19 special tax for road purposes under Sections 6-601, 6-602, and  
20 6-603 of the Illinois Highway Code, and the tax was levied in  
21 an amount that would require extension at a rate of not less  
22 than 0.08% of the value of the taxable property of that road  
23 district, as equalized or assessed by the Department of  
24 Revenue or, in DuPage County, an amount equal to or greater  
25 than \$12,000 per mile of road under the jurisdiction of the  
26 road district, whichever is less, that levy shall be deemed a

1 proper compliance with this Section and shall qualify such  
2 road district for a full, rather than proportionate, allotment  
3 under this Section. If the levy for the special tax is less  
4 than 0.08% of the value of the taxable property, or, in DuPage  
5 County if the levy for the special tax is less than the lesser  
6 of (i) 0.08% or (ii) \$12,000 per mile of road under the  
7 jurisdiction of the road district, and if the levy for the  
8 special tax is more than any other levy for road and bridge  
9 purposes, then the levy for the special tax qualifies the road  
10 district for a proportionate, rather than full, allotment  
11 under this Section. If the levy for the special tax is equal to  
12 or less than any other levy for road and bridge purposes, then  
13 any allotment under this Section shall be determined by the  
14 other levy for road and bridge purposes.

15 Prior to 2011, if a township has transferred to the road  
16 and bridge fund money which, when added to the amount of any  
17 tax levy of the road district would be the equivalent of a tax  
18 levy requiring extension at a rate of at least .08%, or, in  
19 DuPage County, an amount equal to or greater than \$12,000 per  
20 mile of road under the jurisdiction of the road district,  
21 whichever is less, such transfer, together with any such tax  
22 levy, shall be deemed a proper compliance with this Section  
23 and shall qualify the road district for an allotment under  
24 this Section.

25 In counties in which a property tax extension limitation  
26 is imposed under the Property Tax Extension Limitation Law,

1 road districts may retain their entitlement to a motor fuel  
2 tax allotment or, beginning in 2011, their entitlement to a  
3 full allotment if, at the time the property tax extension  
4 limitation was imposed, the road district was levying a road  
5 and bridge tax at a rate sufficient to entitle it to a motor  
6 fuel tax allotment and continues to levy the maximum allowable  
7 amount after the imposition of the property tax extension  
8 limitation. Any road district may in all circumstances retain  
9 its entitlement to a motor fuel tax allotment or, beginning in  
10 2011, its entitlement to a full allotment if it levied a road  
11 and bridge tax in an amount that will require the extension of  
12 the tax against the taxable property in the road district at a  
13 rate of not less than 0.08% of the assessed value of the  
14 property, based upon the assessment for the year immediately  
15 preceding the year in which the tax was levied and as equalized  
16 by the Department of Revenue or, in DuPage County, an amount  
17 equal to or greater than \$12,000 per mile of road under the  
18 jurisdiction of the road district, whichever is less.

19 As used in this Section, the term "road district" means  
20 any road district, including a county unit road district,  
21 provided for by the Illinois Highway Code; and the term  
22 "township or district road" means any road in the township and  
23 district road system as defined in the Illinois Highway Code.  
24 For the purposes of this Section, "township or district road"  
25 also includes such roads as are maintained by park districts,  
26 forest preserve districts and conservation districts. The

1 Department of Transportation shall determine the mileage of  
2 all township and district roads for the purposes of making  
3 allotments and allocations of motor fuel tax funds for use in  
4 road districts.

5 Payment of motor fuel tax moneys to municipalities and  
6 counties shall be made as soon as possible after the allotment  
7 is made. The treasurer of the municipality or county may  
8 invest these funds until their use is required and the  
9 interest earned by these investments shall be limited to the  
10 same uses as the principal funds.

11 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;  
12 102-699, eff. 4-19-22; 103-8, eff. 6-7-23.)

13 Section 10. The Illinois Municipal Code is amended by  
14 changing Section 8-11-2.3 as follows:

15 (65 ILCS 5/8-11-2.3)

16 Sec. 8-11-2.3. Municipal Motor Fuel Tax Law.  
17 Notwithstanding any other provision of law, in addition to any  
18 other tax that may be imposed, a municipality in a county with  
19 a population of over 3,000,000 inhabitants may also impose, by  
20 ordinance, a tax upon all persons engaged in the municipality  
21 in the business of selling motor fuel, as defined in the Motor  
22 Fuel Tax Law, at retail for the operation of motor vehicles  
23 upon public highways or for the operation of recreational  
24 watercraft upon waterways. The tax may be imposed, in one cent

1 increments, at a rate not to exceed \$0.03 per gallon of motor  
2 fuel sold at retail within the municipality for the purpose of  
3 use or consumption and not for the purpose of resale. The tax  
4 may not be imposed under this Section on aviation fuel, as  
5 defined in Section 3 of the Retailers' Occupation Tax Act.

6 Persons subject to any tax imposed under the authority  
7 granted in this Section may reimburse themselves for their  
8 seller's tax liability hereunder by separately stating that  
9 tax as an additional charge, which charge may be stated in  
10 combination, in a single amount, with State tax which sellers  
11 are required to collect under the Use Tax Act, pursuant to such  
12 bracket schedules as the Department may prescribe.

13 A tax imposed pursuant to this Section, and all civil  
14 penalties that may be assessed as an incident thereof, shall  
15 be administered, collected, and enforced by the Department of  
16 Revenue in the same manner as the tax imposed under the  
17 Retailers' Occupation Tax Act, as now or hereafter amended,  
18 insofar as may be practicable; except that in the event of a  
19 conflict with the provisions of this Section, this Section  
20 shall control. The Department of Revenue shall have full power  
21 to: administer and enforce this Section; collect all taxes and  
22 penalties due hereunder; dispose of taxes and penalties so  
23 collected in the manner hereinafter provided; and determine  
24 all rights to credit memoranda arising on account of the  
25 erroneous payment of tax or penalty hereunder.

26 Whenever the Department determines that a refund shall be

1 made under this Section to a claimant instead of issuing a  
2 credit memorandum, the Department shall notify the State  
3 Comptroller, who shall cause the order to be drawn for the  
4 amount specified, and to the person named, in the notification  
5 from the Department. The refund shall be paid by the State  
6 Treasurer out of the Municipal Motor Fuel Tax Fund.

7 The Department shall immediately pay over to the State  
8 Treasurer, ex officio, as trustee, all taxes and penalties  
9 collected under this Section. Those taxes and penalties shall  
10 be deposited into the Municipal Motor Fuel Tax Fund, a trust  
11 fund created in the State treasury. Moneys in the Municipal  
12 Motor Fuel Tax Fund shall be used to make payments to  
13 municipalities and for the payment of refunds under this  
14 Section.

15 On or before the 25th day of each calendar month, the  
16 Department shall prepare and certify to the State Comptroller  
17 the disbursement of stated sums of money to named  
18 municipalities for which taxpayers have paid taxes or  
19 penalties hereunder to the Department during the second  
20 preceding calendar month. The amount to be paid to each  
21 municipality shall be the amount (not including credit  
22 memoranda) collected under this Section from retailers within  
23 the municipality during the second preceding calendar month by  
24 the Department, plus an amount the Department determines is  
25 necessary to offset amounts that were erroneously paid to a  
26 different municipality, and not including an amount equal to

1 the amount of refunds made during the second preceding  
2 calendar month by the Department on behalf of the  
3 municipality, and not including any amount that the Department  
4 determines is necessary to offset any amounts that were  
5 payable to a different municipality but were erroneously paid  
6 to the municipality, less 1.5% of the remainder, which the  
7 Department shall transfer into the Tax Compliance and  
8 Administration Fund. The Department, at the time of each  
9 monthly disbursement, shall prepare and certify to the State  
10 Comptroller the amount to be transferred into the Tax  
11 Compliance and Administration Fund under this Section. Within  
12 10 days after receipt by the Comptroller of the disbursement  
13 certification to the municipalities and the Tax Compliance and  
14 Administration Fund provided for in this Section to be given  
15 to the Comptroller by the Department, the Comptroller shall  
16 cause the orders to be drawn for the respective amounts in  
17 accordance with the directions contained in the certification.

18 Nothing in this Section shall be construed to authorize a  
19 municipality to impose a tax upon the privilege of engaging in  
20 any business which under the Constitution of the United States  
21 may not be made the subject of taxation by this State.

22 An ordinance or resolution imposing or discontinuing the  
23 tax under this Section or effecting a change in the rate  
24 thereof shall either: (i) be adopted and a certified copy  
25 thereof filed with the Department on or before the first day of  
26 April, whereupon the Department shall proceed to administer

1 and enforce this Section as of the first day of July next  
2 following the adoption and filing; or (ii) be adopted and a  
3 certified copy thereof filed with the Department on or before  
4 the first day of October, whereupon the Department shall  
5 proceed to administer and enforce this Section as of the first  
6 day of January next following the adoption and filing.

7 An ordinance adopted in accordance with the provisions of  
8 this Section in effect before the effective date of this  
9 amendatory Act of the 101st General Assembly shall be deemed  
10 to impose the tax in accordance with the provisions of this  
11 Section as amended by this amendatory Act of the 101st General  
12 Assembly and shall be administered by the Department of  
13 Revenue in accordance with the provisions of this Section as  
14 amended by this amendatory Act of the 101st General Assembly;  
15 provided that, on or before October 1, 2020, the municipality  
16 adopts and files a certified copy of a superseding ordinance  
17 that imposes the tax in accordance with the provisions of this  
18 Section as amended by this amendatory Act of the 101st General  
19 Assembly. If a superseding ordinance is not so adopted and  
20 filed, then the tax imposed in accordance with the provisions  
21 of this Section in effect before the effective date of this  
22 amendatory Act of the 101st General Assembly shall be  
23 discontinued on January 1, 2021.

24 This Section shall be known and may be cited as the  
25 Municipal Motor Fuel Tax Law.

26 No tax may be imposed under this Section on or after July



1 1, 2025. This is a denial and limitation under subsection (g)  
2 of Section 6 of Article VII of the Illinois Constitution of the  
3 power of a home rule municipality to impose a tax.

4 (Source: P.A. 101-32, eff. 6-28-19; 101-604, eff. 12-13-19.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.