



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB1390

Introduced 1/28/2025, by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

35 ILCS 505/1.2	from Ch. 120, par. 417.2
35 ILCS 505/1.20	from Ch. 120, par. 417.20
35 ILCS 505/3d	
35 ILCS 505/5	from Ch. 120, par. 421
35 ILCS 505/6	from Ch. 120, par. 422
35 ILCS 505/7	from Ch. 120, par. 423
35 ILCS 505/11.5	from Ch. 120, par. 427a
35 ILCS 505/12	from Ch. 120, par. 428
35 ILCS 505/12a	from Ch. 120, par. 428a
35 ILCS 505/13	from Ch. 120, par. 429
35 ILCS 505/14a	from Ch. 120, par. 430.1
35 ILCS 505/15	from Ch. 120, par. 431
35 ILCS 505/16	from Ch. 120, par. 432
35 ILCS 505/1.14 rep.	
35 ILCS 505/3a rep.	
35 ILCS 505/5a rep.	
35 ILCS 505/6a rep.	

Amends the Motor Fuel Tax Law. Repeals the definition of "supplier" and related provisions in the Motor Fuel Tax Law that establish various requirements for suppliers. Repeals a provision that prohibits a person other than a licensed distributor from acting as a supplier of special fuel within the State. Changes the definitions of "distributor" and "receiver".

LRB104 07494 HLH 17537 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 1.2, 1.20, 3d, 5, 6, 7, 11.5, 12, 12a, 13, 14a, 15,  
6 and 16 as follows:

7 (35 ILCS 505/1.2) (from Ch. 120, par. 417.2)

8 Sec. 1.2. Distributor. "Distributor" means a person who  
9 does any of the following: (1) either ~~(i)~~ produces motor fuel  
10 in this State; (2) ~~τ~~ refines motor fuel in this State; (3)~~τ~~  
11 blends motor fuel in this State; (4)~~τ~~ compounds motor fuel in  
12 this State; (5) ~~or~~ manufactures motor fuel in this State; (6) ~~τ~~  
13 ~~or (ii)~~ transports motor fuel into this State; (7) ~~τ or (iii)~~  
14 exports motor fuel out of this State; or (8) ~~τ or (iv)~~ engages  
15 in the distribution of motor fuel primarily by tank car or tank  
16 truck, or both, ~~and who operates an Illinois bulk plant where~~  
17 ~~he or she has active bulk storage capacity of not less than~~  
18 ~~30,000 gallons for gasoline as defined in item (A) of Section 5~~  
19 ~~of this Law.~~

20 "Distributor" does not, however, include a person who  
21 receives or transports into this State and sells or uses motor  
22 fuel under such circumstances as preclude the collection of  
23 the tax herein imposed, by reason of the provisions of the

1 constitution and statutes of the United States. However, a  
2 person operating a motor vehicle into the State, may transport  
3 motor fuel in the ordinary fuel tank attached to the motor  
4 vehicle for the operation of the motor vehicle, without being  
5 considered a distributor. Any railroad registered under  
6 Section 18c-7201 of the Illinois Vehicle Code may deliver  
7 special fuel directly into the fuel supply tank of a  
8 locomotive owned, operated, or controlled by any other  
9 railroad registered under Section 18c-7201 of the Illinois  
10 Vehicle Code without being considered a distributor ~~or~~  
11 ~~supplier.~~

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

13 (35 ILCS 505/1.20) (from Ch. 120, par. 417.20)

14 Sec. 1.20. "Receiver" means a person who either produces,  
15 refines, blends, compounds or manufactures fuel in this State,  
16 or transports fuel into this State or receives fuel  
17 transported to him from without the State or exports fuel out  
18 of this State, or who is engaged in distribution of fuel  
19 primarily by tank car or tank truck, or both, ~~and who operates~~  
20 ~~an Illinois bulk plant where he has active fuel bulk storage~~  
21 ~~capacity of not less than 30,000 gallons.~~

22 (Source: P.A. 86-125; 86-958.)

23 (35 ILCS 505/3d)

24 Sec. 3d. Right to blend.

1 (a) A distributor who is properly licensed and permitted  
2 as a blender pursuant to this Act may blend petroleum-based  
3 diesel fuel with biodiesel and sell the blended or unblended  
4 product on any premises owned and operated by the distributor  
5 for the purpose of supporting or facilitating the retail sale  
6 of motor fuel.

7 (b) A refiner or distributor ~~supplier~~ of petroleum-based  
8 diesel fuel or biodiesel shall not refuse to sell or transport  
9 to a distributor who is properly licensed and permitted as a  
10 blender pursuant to this Act any petroleum-based diesel fuel  
11 or biodiesel based on the distributor's or dealer's intent to  
12 use that product for blending.

13 (Source: P.A. 102-700, eff. 4-19-22.)

14 (35 ILCS 505/5) (from Ch. 120, par. 421)

15 Sec. 5. Distributor's monthly return. Except as  
16 hereinafter provided, a person holding a valid unrevoked  
17 license to act as a distributor of motor fuel shall, between  
18 the 1st and 20th days of each calendar month, make return to  
19 the Department, showing an itemized statement of the number of  
20 invoiced gallons of motor fuel of the types specified in this  
21 Section which were purchased, acquired, received, or exported  
22 during the preceding calendar month; the amount of such motor  
23 fuel produced, refined, compounded, manufactured, blended,  
24 sold, distributed, exported, and used by the licensed  
25 distributor during the preceding calendar month; the amount of

1 such motor fuel lost or destroyed during the preceding  
2 calendar month; the amount of such motor fuel on hand at the  
3 close of business for such month; and such other reasonable  
4 information as the Department may require. If a distributor's  
5 only activities with respect to motor fuel are either: (1)  
6 production of alcohol in quantities of less than 10,000 proof  
7 gallons per year or (2) blending alcohol in quantities of less  
8 than 10,000 proof gallons per year which such distributor has  
9 produced, he shall file returns on an annual basis with the  
10 return for a given year being due by January 20 of the  
11 following year. Distributors whose total production of alcohol  
12 (whether blended or not) exceeds 10,000 proof gallons per  
13 year, based on production during the preceding (calendar) year  
14 or as reasonably projected by the Department if one calendar  
15 year's record of production cannot be established, shall file  
16 returns between the 1st and 20th days of each calendar month as  
17 hereinabove provided.

18 The types of motor fuel referred to in the preceding  
19 paragraph are: (A) All products commonly or commercially known  
20 or sold as gasoline (including casing-head and absorption or  
21 natural gasoline), gasohol, motor benzol or motor benzene  
22 regardless of their classification or uses; and (B) all  
23 combustible gases, not including liquefied natural gas, which  
24 exist in a gaseous state at 60 degrees Fahrenheit and at 14.7  
25 pounds per square inch absolute including, but not limited to,  
26 liquefied petroleum gases used for highway purposes; and (C)

1 special fuel. Only those quantities of combustible gases  
2 (example (B) above) which are used or sold by the distributor  
3 to be used to propel motor vehicles on the public highways, or  
4 which are delivered into a storage tank that is located at a  
5 facility that has withdrawal facilities which are readily  
6 accessible to and are capable of dispensing combustible gases  
7 into the fuel supply tanks of motor vehicles, shall be subject  
8 to return. Distributors of liquefied natural gas are not  
9 required to make returns under this Section with respect to  
10 that liquefied natural gas unless (i) the liquefied natural  
11 gas is dispensed into the fuel supply tank of any motor vehicle  
12 or (ii) the liquefied natural gas is delivered into a storage  
13 tank that is located at a facility that has withdrawal  
14 facilities which are readily accessible to and are capable of  
15 dispensing liquefied natural gas into the fuel supply tanks of  
16 motor vehicles. For purposes of this Section, a facility is  
17 considered to have withdrawal facilities that are not "readily  
18 accessible to and capable of dispensing combustible gases into  
19 the fuel supply tanks of motor vehicles" only if the  
20 combustible gases or liquefied natural gas are delivered from:  
21 (i) a dispenser hose that is short enough so that it will not  
22 reach the fuel supply tank of a motor vehicle or (ii) a  
23 dispenser that is enclosed by a fence or other physical  
24 barrier so that a vehicle cannot pull alongside the dispenser  
25 to permit fueling. For the purposes of this Act, liquefied  
26 petroleum gases shall mean and include any material having a

1 vapor pressure not exceeding that allowed for commercial  
2 propane composed predominantly of the following hydrocarbons,  
3 either by themselves or as mixtures: Propane, Propylene,  
4 Butane (normal butane or iso-butane) and Butylene (including  
5 isomers).

6 In case of a sale of special fuel to someone other than a  
7 licensed distributor, ~~or a licensed supplier,~~ for a use other  
8 than in motor vehicles, the distributor shall show in his  
9 return the amount of invoiced gallons sold and the name and  
10 address of the purchaser in addition to any other information  
11 the Department may require.

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

15 In case of a tax-free sale, as provided in Section 6, of  
16 motor fuel which the distributor is required by this Section  
17 to include in his return to the Department, the distributor in  
18 his return shall show: (1) If the sale is made to another  
19 licensed distributor the amount sold and the name, address and  
20 license number of the purchasing distributor; (2) if the sale  
21 is made to a person where delivery is made outside of this  
22 State the name and address of such purchaser and the point of  
23 delivery together with the date and amount delivered; (3) if  
24 the sale is made to the Federal Government or its  
25 instrumentalities the amount sold; (4) if the sale is made to a  
26 municipal corporation owning and operating a local

1 transportation system for public service in this State the  
2 name and address of such purchaser, and the amount sold, as  
3 evidenced by official forms of exemption certificates properly  
4 executed and furnished by such purchaser; (5) if the sale is  
5 made to a privately owned public utility owning and operating  
6 2-axle vehicles designed and used for transporting more than 7  
7 passengers, which vehicles are used as common carriers in  
8 general transportation of passengers, are not devoted to any  
9 specialized purpose and are operated entirely within the  
10 territorial limits of a single municipality or of any group of  
11 contiguous municipalities or in a close radius thereof, and  
12 the operations of which are subject to the regulations of the  
13 Illinois Commerce Commission, then the name and address of  
14 such purchaser and the amount sold as evidenced by official  
15 forms of exemption certificates properly executed and  
16 furnished by the purchaser; ~~(6) if the product sold is special  
17 fuel and if the sale is made to a licensed supplier under  
18 conditions which qualify the sale for tax exemption under  
19 Section 6 of this Act, the amount sold and the name, address  
20 and license number of the purchaser;~~ and (6) ~~(7)~~ if a sale of  
21 special fuel is made to someone other than a licensed  
22 distributor, ~~or a licensed supplier,~~ for a use other than in  
23 motor vehicles, by making a specific notation thereof on the  
24 invoice or sales slip covering such sales and obtaining such  
25 supporting 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 A person whose license to act as a distributor of motor  
4 fuel has been revoked shall make a return to the Department  
5 covering the period from the date of the last return to the  
6 date of the revocation of the license, which return shall be  
7 delivered to the Department not later than 10 days from the  
8 date of the revocation or termination of the license of such  
9 distributor; the return shall in all other respects be subject  
10 to the same provisions and conditions as returns by  
11 distributors licensed under the provisions of this Act.

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

17 If the Department has reason to believe and does believe  
18 that the amount shown on the return as purchased, acquired,  
19 received, exported, sold, used, lost or destroyed is  
20 incorrect, or that an amount of motor fuel of the types  
21 required by the second paragraph of this Section to be  
22 reported to the Department has not been correctly reported the  
23 Department shall fix an amount for such receipt, sales,  
24 export, use, loss or destruction according to its best  
25 judgment and information, which amount so fixed by the  
26 Department shall be prima facie correct. All returns shall be

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

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

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

1 the difference between the discount as applied to the credit  
2 taken and that actually due, and that distributor shall be  
3 liable for penalties and interest on such difference.

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

5 (35 ILCS 505/6) (from Ch. 120, par. 422)

6 Sec. 6. Collection of tax; distributors. A distributor who  
7 sells or distributes any motor fuel, which he is required by  
8 Section 5 to report to the Department when filing a return,  
9 shall (except as hereinafter provided) collect at the time of  
10 such sale and distribution, the amount of tax imposed under  
11 this Act on all such motor fuel sold and distributed, and at  
12 the time of making a return, the distributor shall pay to the  
13 Department the amount so collected less a discount of 2%  
14 through June 30, 2003 and 1.75% thereafter which is allowed to  
15 reimburse the distributor for the expenses incurred in keeping  
16 records, preparing and filing returns, collecting and  
17 remitting the tax and supplying data to the Department on  
18 request, and shall also pay to the Department an amount equal  
19 to the amount that would be collectible as a tax in the event  
20 of a sale thereof on all such motor fuel used by said  
21 distributor during the period covered by the return. However,  
22 no payment shall be made based upon dyed diesel fuel used by  
23 the distributor for non-highway purposes. The discount shall  
24 only be applicable to the amount of tax payment which  
25 accompanies a return which is filed timely in accordance with

1 Section 5 of this Act. In each subsequent sale of motor fuel on  
2 which the amount of tax imposed under this Act has been  
3 collected as provided in this Section, the amount so collected  
4 shall be added to the selling price, so that the amount of tax  
5 is paid ultimately by the user of the motor fuel. However, no  
6 collection or payment shall be made in the case of the sale or  
7 use of any motor fuel to the extent to which such sale or use  
8 of motor fuel may not, under the constitution and statutes of  
9 the United States, be made the subject of taxation by this  
10 State. A person whose license to act as a distributor of fuel  
11 has been revoked shall, at the time of making a return, also  
12 pay to the Department an amount equal to the amount that would  
13 be collectible as a tax in the event of a sale thereof on all  
14 motor fuel, which he is required by the second paragraph of  
15 Section 5 to report to the Department in making a return, and  
16 which he had on hand on the date on which the license was  
17 revoked, and with respect to which no tax had been previously  
18 paid under this Act.

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

22 1. When the sale is made to a person holding a valid  
23 unrevoked license as a distributor, by making a specific  
24 notation thereof on invoices or sales slip covering each  
25 sale.

26 2. When the sale is made with delivery to a purchaser

1 outside of this State.

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

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

8 5. When the sale is made to a privately owned public  
9 utility owning and operating 2 axle vehicles designed and  
10 used for transporting more than 7 passengers, which  
11 vehicles are used as common carriers in general  
12 transportation of passengers, are not devoted to any  
13 specialized purpose and are operated entirely within the  
14 territorial limits of a single municipality or of any  
15 group of contiguous municipalities, or in a close radius  
16 thereof, and the operations of which are subject to the  
17 regulations of the Illinois Commerce Commission, when an  
18 official certificate of exemption is obtained in lieu of  
19 the tax.

20 6. (Blank). ~~When a sale of special fuel is made to a~~  
21 ~~person holding a valid, unrevoked license as a supplier,~~  
22 ~~by making a specific notation thereof on the invoice or~~  
23 ~~sales slip covering each such sale.~~

24 7. When a sale of dyed diesel fuel is made by the  
25 licensed distributor to the end user of the fuel who is not  
26 a licensed distributor ~~or a licensed supplier~~ for

1 non-highway purposes and the fuel is (i) delivered from a  
2 vehicle designed for the specific purpose of such sales  
3 and delivered directly into a stationary bulk storage tank  
4 that displays the notice required by Section 4f of this  
5 Act, (ii) delivered from a vehicle designed for the  
6 specific purpose of such sales and delivered directly into  
7 the fuel supply tanks of non-highway vehicles that are not  
8 required to be registered for highway use, or (iii)  
9 dispensed from a dyed diesel fuel dispensing facility that  
10 has withdrawal facilities that are not readily accessible  
11 to and are not capable of dispensing dyed diesel fuel into  
12 the fuel supply tank of a motor vehicle.

13 A specific notation is required on the invoice or  
14 sales slip covering such sales, and any supporting  
15 documentation that may be required by the Department must  
16 be obtained by the distributor. The distributor shall  
17 obtain and keep the supporting documentation in such form  
18 as the Department may require by rule.

19 For purposes of this item 7, a dyed diesel fuel  
20 dispensing facility is considered to have withdrawal  
21 facilities that are "not readily accessible to and not  
22 capable of dispensing dyed diesel fuel into the fuel  
23 supply tank of a motor vehicle" only if the dyed diesel  
24 fuel is delivered from: (i) a dispenser hose that is short  
25 enough so that it will not reach the fuel supply tank of a  
26 motor vehicle or (ii) a dispenser that is enclosed by a

1 fence or other physical barrier so that a vehicle cannot  
2 pull alongside the dispenser to permit fueling.

3 8. (Blank).

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

7 All suits or other proceedings brought for the purpose of  
8 recovering any taxes, interest or penalties due the State of  
9 Illinois under this Act may be maintained in the name of the  
10 Department.

11 (Source: P.A. 102-1019, eff. 5-27-22.)

12 (35 ILCS 505/7) (from Ch. 120, par. 423)

13 Sec. 7. Any person who is ~~not~~ licensed as a receiver or ~~not~~  
14 distributor and who purchases ~~or supplier, purchasing~~ fuel or  
15 motor fuel as to which there has been no charge made to him of  
16 the tax imposed by Section 2 or 2a, or both, shall make payment  
17 of the tax imposed by Section 2a of this Act and if the same be  
18 thereafter used in the operation of a motor vehicle upon the  
19 public highways, make payment of the motor fuel tax computed  
20 at the rate prescribed in Section 2 of this Act on the amount  
21 so used, such payment to be made to the Department not later  
22 than the 20th day of the month succeeding the month in which  
23 the motor fuel was so used.

24 This Section does not apply in cases of such use of motor  
25 fuel which was obtained tax-free under an official certificate

1 of exemption mentioned in Sections 6 and 6a of this Act.

2 (Source: P.A. 86-125.)

3 (35 ILCS 505/11.5) (from Ch. 120, par. 427a)

4 Sec. 11.5. In the event that liability upon the bond filed  
5 by a distributor,~~supplier,~~ or receiver with the Department  
6 shall be discharged or reduced, whether by judgment rendered,  
7 payment made or otherwise, or if in the opinion of the  
8 Department the bond of any distributor,~~supplier,~~ or receiver  
9 theretofore given shall become unsatisfactory, then the  
10 distributor,~~supplier,~~ or receiver shall forthwith, upon the  
11 written demand of the Department, file a new bond in the same  
12 manner and form and in an amount and with sureties  
13 satisfactory to the Department, failing which the Department  
14 shall forthwith revoke the license of the distributor,~~7~~  
15 ~~supplier,~~ or receiver.

16 If such new bond shall be furnished by the distributor,~~7~~  
17 ~~supplier,~~ or receiver as above provided, the Department shall  
18 cancel the bond for which such new bond shall be substituted.

19 Any surety on any bond furnished by any distributor,~~7~~  
20 ~~supplier,~~ or receiver shall be released and discharged from  
21 any and all liability to the State of Illinois accruing on such  
22 bond after the expiration of 60 days from the date upon which  
23 such surety shall have filed with the Department written  
24 request so to be released and discharged. But such request  
25 shall not operate to relieve, release or discharge such surety

1 from any liability already accrued, or which shall accrue,  
2 before the expiration of said 60-day period. The Department  
3 shall, promptly on receipt of such request, notify the  
4 distributor,~~supplier,~~ or receiver and, unless such  
5 distributor,~~supplier,~~ or receiver shall on or before the  
6 expiration of such 60-day period file with the Department a  
7 new bond with a surety or sureties satisfactory to the  
8 Department in the amount and form hereinbefore provided, the  
9 Department shall forthwith cancel the license of such  
10 distributor,~~supplier,~~ or receiver. If such new bond shall be  
11 furnished by said distributor,~~supplier,~~ or receiver as above  
12 provided, the Department shall cancel the bond for which such  
13 new bond shall be substituted.

14 (Source: P.A. 91-173, eff. 1-1-00.)

15 (35 ILCS 505/12) (from Ch. 120, par. 428)

16 Sec. 12. It is the duty of every distributor and ~~and~~  
17 receiver,~~and supplier~~ under this Act to keep within this  
18 State or at some office outside this State for any period for  
19 which the Department is authorized to issue a Notice of Tax  
20 Liability to the distributor or ~~or~~ receiver,~~or supplier~~  
21 records and books showing all purchases, receipts, losses  
22 through any cause, sales, distribution and use of motor fuel,  
23 aviation fuels, home heating oils, and kerosene, and products  
24 used for the purpose of blending to produce motor fuel, which  
25 records and books shall, at all times during business hours of

1 the day, be subject to inspection by the Department, or its  
2 duly authorized agents and employees. For purposes of this  
3 Section, "records" means all data maintained by the taxpayer  
4 including data on paper, microfilm, microfiche or any type of  
5 machine-sensible data compilation. The Department may, in its  
6 discretion, prescribe reasonable and uniform methods for  
7 keeping of records and books by licensees and that set forth  
8 requirements for the form and format of records that must be  
9 maintained in order to comply with any recordkeeping  
10 requirement under this Act.

11 (Source: P.A. 91-173, eff. 1-1-00.)

12 (35 ILCS 505/12a) (from Ch. 120, par. 428a)

13 Sec. 12a. (a) Any duly authorized agent or employee of the  
14 Department shall have authority to enter in or upon the  
15 premises of any manufacturer, vendor, dealer, retailer,  
16 distributor, receiver, ~~supplier~~ or user of motor fuel or  
17 special fuels during the regular business hours in order to  
18 examine books, records, invoices, storage tanks, and any other  
19 applicable equipment pertaining to motor fuel, aviation fuels,  
20 home heating oils, kerosene, or special fuels, to determine  
21 whether or not the taxes imposed by this Act have been paid.

22 (b) Any duly authorized agent of the Department, upon  
23 presenting appropriate credentials and a written notice to the  
24 person who owns, operates, or controls the place to be  
25 inspected, shall have the authority to enter any place and to

1 conduct inspections in accordance with subsections (b) through  
2 (g) of this Section.

3 (c) Inspections will be performed in a reasonable manner  
4 and at times that are reasonable under the circumstances,  
5 taking into consideration the normal business hours of the  
6 place to be entered.

7 (d) Inspections may be at any place at which taxable motor  
8 fuel is or may be produced or stored or at any inspection site  
9 where evidence of the following activities may be discovered:

10 (1) Where any dyed diesel fuel is sold or held for sale  
11 by any person for any use which the person knows or has  
12 reason to know is not a nontaxable use of such fuel.

13 (2) Where any dyed diesel fuel is held for use or used  
14 by any person for a use other than a nontaxable use and the  
15 person knew, or had reason to know, that the fuel was dyed  
16 according to Section 4d.

17 (3) Where any person willfully alters, or attempts to  
18 alter, the strength or composition of any dye or marking  
19 done pursuant to Section 4d of this Law.

20 The places may include, but are not limited to, the  
21 following:

22 (1) Any terminal.

23 (2) Any fuel storage facility that is not a terminal.

24 (3) Any retail fuel facility.

25 (4) Any designated inspection site.

26 (e) Duly authorized agents of the Department may

1 physically inspect, examine, or otherwise search any tank,  
2 reservoir, or other container that can or may be used for the  
3 production, storage, or transportation of fuel, fuel dyes, or  
4 fuel markers. Inspection may also be made of any equipment  
5 used for, or in connection with, production, storage, or  
6 transportation of fuel, fuel dyes, or fuel markers. This  
7 includes any equipment used for the dyeing or marking of fuel.  
8 This also includes books and records, if any, that are  
9 maintained at the place of inspection and are kept to  
10 determine tax liability under this Law.

11 (f) Duly authorized agents of the Department may detain  
12 any motor vehicle, train, barge, ship, or vessel for the  
13 purpose of inspecting its fuel tanks and storage tanks.  
14 Detainment will be either on the premises under inspection or  
15 at a designated inspection site. Detainment may continue for a  
16 reasonable period of time as is necessary to determine the  
17 amount and composition of the fuel.

18 (g) Duly authorized agents of the Department may take and  
19 remove samples of fuel in quantities as are reasonably  
20 necessary to determine the composition of the fuel.

21 (h) (1) Any person that refuses to allow an inspection  
22 shall pay a \$1,000 penalty for each refusal. This penalty  
23 is in addition to any other penalty or tax that may be  
24 imposed upon that person or any other person liable for  
25 tax under this Law. All penalties received under this  
26 subsection shall be deposited into the Tax Compliance and

1 Administration Fund.

2 (2) In addition, any licensee who refuses to allow an  
3 inspection shall be subject to license revocation as  
4 provided by Section 16 of this Law.

5 (Source: P.A. 91-173, eff. 1-1-00.)

6 (35 ILCS 505/13) (from Ch. 120, par. 429)

7 Sec. 13. Refund of tax paid. Any person other than a  
8 distributor ~~or supplier,~~ who loses motor fuel through any  
9 cause or uses motor fuel (upon which he has paid the amount  
10 required to be collected under Section 2 of this Act) for any  
11 purpose other than operating a motor vehicle upon the public  
12 highways or waters, shall be reimbursed and repaid the amount  
13 so paid.

14 Any person who purchases motor fuel in Illinois and uses  
15 that motor fuel in another state and that other state imposes a  
16 tax on the use of such motor fuel shall be reimbursed and  
17 repaid the amount of Illinois tax paid under Section 2 of this  
18 Act on the motor fuel used in such other state. Reimbursement  
19 and repayment shall be made by the Department upon receipt of  
20 adequate proof of taxes directly paid to another state and the  
21 amount of motor fuel used in that state.

22 Claims based in whole or in part on taxes paid to another  
23 state shall include (i) a certified copy of the tax return  
24 filed with such other state by the claimant; (ii) a copy of  
25 either the cancelled check paying the tax due on such return,

1 or a receipt acknowledging payment of the tax due on such tax  
2 return; and (iii) such other information as the Department may  
3 reasonably require. This paragraph shall not apply to taxes  
4 paid on returns filed under Section 13a.3 of this Act.

5 Any person who purchases motor fuel use tax decals as  
6 required by Section 13a.4 and pays an amount of fees for such  
7 decals that exceeds the amount due shall be reimbursed and  
8 repaid the amount of the decal fees that are deemed by the  
9 department to be in excess of the amount due. Alternatively,  
10 any person who purchases motor fuel use tax decals as required  
11 by Section 13a.4 may credit any excess decal payment verified  
12 by the Department against amounts subsequently due for the  
13 purchase of additional decals, until such time as no excess  
14 payment remains.

15 Claims for such reimbursement must be made to the  
16 Department of Revenue, duly verified by the claimant (or by  
17 the claimant's legal representative if the claimant has died  
18 or become a person under legal disability), upon forms  
19 prescribed by the Department. The claim must state such facts  
20 relating to the purchase, importation, manufacture or  
21 production of the motor fuel by the claimant as the Department  
22 may deem necessary, and the time when, and the circumstances  
23 of its loss or the specific purpose for which it was used (as  
24 the case may be), together with such other information as the  
25 Department may reasonably require. No claim based upon idle  
26 time shall be allowed. Claims for reimbursement for

1 overpayment of decal fees shall be made to the Department of  
2 Revenue, duly verified by the claimant (or by the claimant's  
3 legal representative if the claimant has died or become a  
4 person under legal disability), upon forms prescribed by the  
5 Department. The claim shall state facts relating to the  
6 overpayment of decal fees, together with such other  
7 information as the Department may reasonably require. Claims  
8 for reimbursement of overpayment of decal fees paid on or  
9 after January 1, 2011 must be filed not later than one year  
10 after the date on which the fees were paid by the claimant. If  
11 it is determined that the Department should reimburse a  
12 claimant for overpayment of decal fees, the Department shall  
13 first apply the amount of such refund against any tax or  
14 penalty or interest due by the claimant under Section 13a of  
15 this Act.

16 Claims for full reimbursement for taxes paid on or before  
17 December 31, 1999 must be filed not later than one year after  
18 the date on which the tax was paid by the claimant. If,  
19 however, a claim for such reimbursement otherwise meeting the  
20 requirements of this Section is filed more than one year but  
21 less than 2 years after that date, the claimant shall be  
22 reimbursed at the rate of 80% of the amount to which he would  
23 have been entitled if his claim had been timely filed.

24 Claims for full reimbursement for taxes paid on or after  
25 January 1, 2000 must be filed not later than 2 years after the  
26 date on which the tax was paid by the claimant.

1           The Department may make such investigation of the  
2 correctness of the facts stated in such claims as it deems  
3 necessary. When the Department has approved any such claim, it  
4 shall pay to the claimant (or to the claimant's legal  
5 representative, as such if the claimant has died or become a  
6 person under legal disability) the reimbursement provided in  
7 this Section, out of any moneys appropriated to it for that  
8 purpose.

9           Any distributor ~~or supplier~~ who has paid the tax imposed  
10 by Section 2 of this Act upon motor fuel lost or used by such  
11 distributor ~~or supplier~~ for any purpose other than operating a  
12 motor vehicle upon the public highways or waters may file a  
13 claim for credit or refund to recover the amount so paid. Such  
14 claims shall be filed on forms prescribed by the Department.  
15 Such claims shall be made to the Department, duly verified by  
16 the claimant (or by the claimant's legal representative if the  
17 claimant has died or become a person under legal disability),  
18 upon forms prescribed by the Department. The claim shall state  
19 such facts relating to the purchase, importation, manufacture  
20 or production of the motor fuel by the claimant as the  
21 Department may deem necessary and the time when the loss or  
22 nontaxable use occurred, and the circumstances of its loss or  
23 the specific purpose for which it was used (as the case may  
24 be), together with such other information as the Department  
25 may reasonably require. Claims must be filed not later than  
26 one year after the date on which the tax was paid by the

1 claimant.

2 The Department may make such investigation of the  
3 correctness of the facts stated in such claims as it deems  
4 necessary. When the Department approves a claim, the  
5 Department shall issue a refund or credit memorandum as  
6 requested by the taxpayer, to the distributor ~~or supplier~~ who  
7 made the payment for which the refund or credit is being given  
8 or, if the distributor ~~or supplier~~ has died or become  
9 incompetent, to such distributor's ~~or supplier's~~ legal  
10 representative, as such. The amount of such credit memorandum  
11 shall be credited against any tax due or to become due under  
12 this Act from the distributor ~~or supplier~~ who made the payment  
13 for which credit has been given.

14 Any credit or refund that is allowed under this Section  
15 shall bear interest at the rate and in the manner specified in  
16 the Uniform Penalty and Interest Act.

17 In case the distributor ~~or supplier~~ requests and the  
18 Department determines that the claimant is entitled to a  
19 refund, such refund shall be made only from such appropriation  
20 as may be available for that purpose. If it appears unlikely  
21 that the amount appropriated would permit everyone having a  
22 claim allowed during the period covered by such appropriation  
23 to elect to receive a cash refund, the Department, by rule or  
24 regulation, shall provide for the payment of refunds in  
25 hardship cases and shall define what types of cases qualify as  
26 hardship cases.

1           In any case in which there has been an erroneous refund of  
2 tax or fees payable under this Section, a notice of tax  
3 liability may be issued at any time within 3 years from the  
4 making of that refund, or within 5 years from the making of  
5 that refund if it appears that any part of the refund was  
6 induced by fraud or the misrepresentation of material fact.  
7 The amount of any proposed assessment set forth by the  
8 Department shall be limited to the amount of the erroneous  
9 refund.

10           If no tax is due and no proceeding is pending to determine  
11 whether such distributor ~~or supplier~~ is indebted to the  
12 Department for tax, the credit memorandum so issued may be  
13 assigned and set over by the lawful holder thereof, subject to  
14 reasonable rules of the Department, to any other licensed  
15 distributor ~~or supplier~~ who is subject to this Act, and the  
16 amount thereof applied by the Department against any tax due  
17 or to become due under this Act from such assignee.

18           If the payment for which the distributor's ~~or supplier's~~  
19 claim is filed is held in the protest fund of the State  
20 Treasury during the pendency of the claim for credit  
21 proceedings pursuant to the order of the court in accordance  
22 with Section 2a of the State Officers and Employees Money  
23 Disposition Act and if it is determined by the Department or by  
24 the final order of a reviewing court under the Administrative  
25 Review Law that the claimant is entitled to all or a part of  
26 the credit claimed, the claimant, instead of receiving a

1 credit memorandum from the Department, shall receive a cash  
2 refund from the protest fund as provided for in Section 2a of  
3 the State Officers and Employees Money Disposition Act.

4 If any person ceases to be licensed as a distributor ~~or~~  
5 ~~supplier~~ while still holding an unused credit memorandum  
6 issued under this Act, such person may, at his election  
7 (instead of assigning the credit memorandum to a licensed  
8 distributor ~~or licensed supplier~~ under this Act), surrender  
9 such unused credit memorandum to the Department and receive a  
10 refund of the amount to which such person is entitled.

11 For claims based upon taxes paid on or before December 31,  
12 2000, a claim based upon the use of undyed diesel fuel shall  
13 not be allowed except (i) if allowed under the following  
14 paragraph or (ii) for undyed diesel fuel used by a commercial  
15 vehicle, as that term is defined in Section 1-111.8 of the  
16 Illinois Vehicle Code, for any purpose other than operating  
17 the commercial vehicle upon the public highways and unlicensed  
18 commercial vehicles operating on private property. Claims  
19 shall be limited to commercial vehicles that are operated for  
20 both highway purposes and any purposes other than operating  
21 such vehicles upon the public highways.

22 For claims based upon taxes paid on or after January 1,  
23 2000, a claim based upon the use of undyed diesel fuel shall  
24 not be allowed except (i) if allowed under the preceding  
25 paragraph or (ii) for claims for the following:

26 (1) Undyed diesel fuel used (i) in a manufacturing

1 process, as defined in Section 2-45 of the Retailers'  
2 Occupation Tax Act, wherein the undyed diesel fuel becomes  
3 a component part of a product or by-product, other than  
4 fuel or motor fuel, when the use of dyed diesel fuel in  
5 that manufacturing process results in a product that is  
6 unsuitable for its intended use or (ii) for testing  
7 machinery and equipment in a manufacturing process, as  
8 defined in Section 2-45 of the Retailers' Occupation Tax  
9 Act, wherein the testing takes place on private property.

10 (2) Undyed diesel fuel used by a manufacturer on  
11 private property in the research and development, as  
12 defined in Section 1.29, of machinery or equipment  
13 intended for manufacture.

14 (3) Undyed diesel fuel used by a single unit  
15 self-propelled agricultural fertilizer implement,  
16 designed for on and off road use, equipped with flotation  
17 tires and specially adapted for the application of plant  
18 food materials or agricultural chemicals.

19 (4) Undyed diesel fuel used by a commercial motor  
20 vehicle for any purpose other than operating the  
21 commercial motor vehicle upon the public highways. Claims  
22 shall be limited to commercial motor vehicles that are  
23 operated for both highway purposes and any purposes other  
24 than operating such vehicles upon the public highways.

25 (5) Undyed diesel fuel used by a unit of local  
26 government in its operation of an airport if the undyed

1 diesel fuel is used directly in airport operations on  
2 airport property.

3 (6) Undyed diesel fuel used by refrigeration units  
4 that are permanently mounted to a semitrailer, as defined  
5 in Section 1.28 of this Law, wherein the refrigeration  
6 units have a fuel supply system dedicated solely for the  
7 operation of the refrigeration units.

8 (7) Undyed diesel fuel used by power take-off  
9 equipment as defined in Section 1.27 of this Law.

10 (8) Beginning on the effective date of this amendatory  
11 Act of the 94th General Assembly, undyed diesel fuel used  
12 by tugs and spotter equipment to shift vehicles or parcels  
13 on both private and airport property. Any claim under this  
14 item (8) may be made only by a claimant that owns tugs and  
15 spotter equipment and operates that equipment on both  
16 private and airport property. The aggregate of all credits  
17 or refunds resulting from claims filed under this item (8)  
18 by a claimant in any calendar year may not exceed  
19 \$100,000. A claim may not be made under this item (8) by  
20 the same claimant more often than once each quarter. For  
21 the purposes of this item (8), "tug" means a vehicle  
22 designed for use on airport property that shifts  
23 custom-designed containers of parcels from loading docks  
24 to aircraft, and "spotter equipment" means a vehicle  
25 designed for use on both private and airport property that  
26 shifts trailers containing parcels between staging areas

1 and loading docks.

2 Any person who has paid the tax imposed by Section 2 of  
3 this Law upon undyed diesel fuel that is unintentionally mixed  
4 with dyed diesel fuel and who owns or controls the mixture of  
5 undyed diesel fuel and dyed diesel fuel may file a claim for  
6 refund to recover the amount paid. The amount of undyed diesel  
7 fuel unintentionally mixed must equal 500 gallons or more. Any  
8 claim for refund of unintentionally mixed undyed diesel fuel  
9 and dyed diesel fuel shall be supported by documentation  
10 showing the date and location of the unintentional mixing, the  
11 number of gallons involved, the disposition of the mixed  
12 diesel fuel, and any other information that the Department may  
13 reasonably require. Any unintentional mixture of undyed diesel  
14 fuel and dyed diesel fuel shall be sold or used only for  
15 non-highway purposes.

16 The Department shall promulgate regulations establishing  
17 specific limits on the amount of undyed diesel fuel that may be  
18 claimed for refund.

19 For purposes of claims for refund, "loss" means the  
20 reduction of motor fuel resulting from fire, theft, spillage,  
21 spoilage, leakage, or any other provable cause, but does not  
22 include a reduction resulting from evaporation, or shrinkage  
23 due to temperature variations. In the case of losses due to  
24 fire or theft, the claimant must include fire department or  
25 police department reports and any other documentation that the  
26 Department may require.

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

2 (35 ILCS 505/14a) (from Ch. 120, par. 430.1)

3 Sec. 14a. The Department of Revenue may enter into  
4 reciprocal agreements with the appropriate officials of any  
5 other state under which the Department may waive all or any  
6 part of the requirements imposed by the laws of this State upon  
7 those who use or consume motor fuel in Illinois upon which a  
8 tax has been paid to such other state, provided that the  
9 officials of such other state grant equivalent privileges with  
10 respect to motor fuel used in such other state but upon which  
11 the tax has been paid to Illinois.

12 The Department may enter the International Fuel Tax  
13 Agreement or other cooperative compacts or agreements with  
14 other states or jurisdictions to permit base state or base  
15 jurisdiction licensing of persons using motor fuel in this  
16 State. Those agreements may provide for the cooperation and  
17 assistance among member states in the administration and  
18 collection of motor fuel tax, including, but not limited to,  
19 exchanges of information, auditing and assessing of interstate  
20 carriers ~~and suppliers~~, and any other activities necessary to  
21 further uniformity.

22 Pursuant to federal mandate, upon membership in the  
23 International Fuel Tax Agreement ("Agreement"), the motor fuel  
24 use tax imposed upon Commercial Motor Vehicles required to be  
25 registered under the terms of the Agreement shall be

1 administered according to the terms of the Agreement, as now  
2 and hereafter amended. Illinois shall not establish, maintain,  
3 or enforce any law or regulation that has fuel use tax  
4 reporting requirements or that provides for the payment of a  
5 fuel use tax, unless that law or regulation is in conformity  
6 with the Agreement.

7 The Department shall adopt rules and regulations to  
8 implement the provisions of the Agreement.

9 (Source: P.A. 88-480.)

10 (35 ILCS 505/15) (from Ch. 120, par. 431)

11 Sec. 15. 1. Any person who knowingly acts as a distributor  
12 of motor fuel ~~or supplier of special fuel~~, or receiver of fuel  
13 without having a license so to do, or who knowingly fails or  
14 refuses to file a return with the Department as provided in  
15 Section 2b, Section 5, or Section 5a of this Act, or who  
16 knowingly fails or refuses to make payment to the Department  
17 as provided either in Section 2b, Section 6, Section 6a, or  
18 Section 7 of this Act, shall be guilty of a Class 3 felony.  
19 Each day any person knowingly acts as a distributor of motor  
20 fuel, ~~supplier of special fuel~~, or receiver of fuel without  
21 having a license so to do or after such a license has been  
22 revoked, constitutes a separate offense.

23 2. Any person who acts as a motor carrier without having a  
24 valid motor fuel use tax license, issued by the Department or  
25 by a member jurisdiction under the provisions of the

1 International Fuel Tax Agreement, or a valid single trip  
2 permit is guilty of a Class A misdemeanor for a first offense  
3 and is guilty of a Class 4 felony for each subsequent offense.  
4 Any person (i) who fails or refuses to make payment to the  
5 Department as provided in Section 13a.1 of this Act or in the  
6 International Fuel Tax Agreement referenced in Section 14a, or  
7 (ii) who fails or refuses to make the quarterly return as  
8 provided in Section 13a.3 is guilty of a Class 4 felony; and  
9 for each subsequent offense, such person is guilty of a Class 3  
10 felony.

11 3. In case such person acting as a distributor, receiver,  
12 ~~supplier,~~ or motor carrier is a corporation, then the officer  
13 or officers, agent or agents, employee or employees, of such  
14 corporation responsible for any act of such corporation, or  
15 failure of such corporation to act, which acts or failure to  
16 act constitutes a violation of any of the provisions of this  
17 Act as enumerated in paragraphs 1 and 2 of this Section, shall  
18 be punished by such fine or imprisonment, or by both such fine  
19 and imprisonment as provided in those paragraphs.

20 3.5. Any person who knowingly enters false information on  
21 any supporting documentation required to be kept by Section 6  
22 or 6a of this Act is guilty of a Class 3 felony.

23 3.7. Any person who knowingly attempts in any manner to  
24 evade or defeat any tax imposed by this Act or the payment of  
25 any tax imposed by this Act is guilty of a Class 2 felony.

26 4. Any person who refuses, upon demand, to submit for

1 inspection, books and records, or who fails or refuses to keep  
2 books and records in violation of Section 12 of this Act, or  
3 any distributor or ~~7 receiver, or supplier~~ who violates any  
4 reasonable rule or regulation adopted by the Department for  
5 the enforcement of this Act is guilty of a Class A misdemeanor.  
6 Any person who acts as a blender in violation of Section 3 of  
7 this Act is guilty of a Class 4 felony.

8 5. Any person licensed under Section 13a.4, 13a.5, or the  
9 International Fuel Tax Agreement who: (a) fails or refuses to  
10 keep records and books, as provided in Section 13a.2 or as  
11 required by the terms of the International Fuel Tax Agreement,  
12 (b) refuses upon demand by the Department to submit for  
13 inspection and examination the records required by Section  
14 13a.2 of this Act or by the terms of the International Fuel Tax  
15 Agreement, or (c) violates any reasonable rule or regulation  
16 adopted by the Department for the enforcement of this Act, is  
17 guilty of a Class A misdemeanor.

18 6. Any person who makes any false return or report to the  
19 Department as to any material fact required by Sections 2b, 5,  
20 5a, 7, 13, or 13a.3 of this Act or by the International Fuel  
21 Tax Agreement is guilty of a Class 2 felony.

22 7. A prosecution for any violation of this Section may be  
23 commenced anytime within 5 years of the commission of that  
24 violation. A prosecution for tax evasion as set forth in  
25 paragraph 3.7 of this Section may be prosecuted any time  
26 within 5 years of the commission of the last act in furtherance

1 of evasion. The running of the period of limitations under  
2 this Section shall be suspended while any proceeding or appeal  
3 from any proceeding relating to the quashing or enforcement of  
4 any grand jury or administrative subpoena issued in connection  
5 with an investigation of the violation of any provision of  
6 this Act is pending.

7 8. Any person who provides false documentation required by  
8 any Section of this Act is guilty of a Class 4 felony.

9 9. Any person filing a fraudulent application or order  
10 form under any provision of this Act is guilty of a Class A  
11 misdemeanor. For each subsequent offense, the person is guilty  
12 of a Class 4 felony.

13 10. Any person who acts as a motor carrier and who fails to  
14 carry a manifest as provided in Section 5.5 is guilty of a  
15 Class A misdemeanor. For each subsequent offense, the person  
16 is guilty of a Class 4 felony.

17 11. Any person who knowingly sells or attempts to sell  
18 dyed diesel fuel for highway use or for use by  
19 recreational-type watercraft on the waters of this State is  
20 guilty of a Class 4 felony. For each subsequent offense, the  
21 person is guilty of a Class 2 felony.

22 12. Any person who knowingly possesses dyed diesel fuel  
23 for highway use or for use by recreational-type watercraft on  
24 the waters of this State is guilty of a Class A misdemeanor.  
25 For each subsequent offense, the person is guilty of a Class 4  
26 felony.

1           13. Any person who sells or transports dyed diesel fuel  
 2 without the notice required by Section 4e shall pay the  
 3 following penalty:

- 4           First occurrence ..... \$ 500
- 5           Second and each occurrence thereafter ..... \$1,000

6           14. Any person who owns, operates, or controls any  
 7 container, storage tank, or facility used to store or  
 8 distribute dyed diesel fuel without the notice required by  
 9 Section 4f shall pay the following penalty:

- 10          First occurrence ..... \$ 500
- 11          Second and each occurrence thereafter ..... \$1,000

12          15. If a motor vehicle required to be registered for  
 13 highway purposes is found to have dyed diesel fuel within the  
 14 ordinary fuel tanks attached to the motor vehicle or if a  
 15 recreational-type watercraft on the waters of this State is  
 16 found to have dyed diesel fuel within the ordinary fuel tanks  
 17 attached to the watercraft, the operator shall pay the  
 18 following penalty:

- 19          First occurrence ..... \$1,000
- 20          Second and each occurrence thereafter ..... \$5,000

21          16. Any licensed motor fuel distributor ~~or licensed~~  
 22 ~~supplier~~ who sells or attempts to sell dyed diesel fuel for  
 23 highway use or for use by recreational-type watercraft on the  
 24 waters of this State shall pay the following penalty:

- 25          First occurrence ..... \$1,000
- 26          Second and each occurrence thereafter ..... \$5,000

1           17. Any person who knowingly sells or distributes dyed  
2 diesel fuel without the notice required by Section 4e is  
3 guilty of a petty offense. For each subsequent offense, the  
4 person is guilty of a Class A misdemeanor.

5           18. Any person who knowingly owns, operates, or controls  
6 any container, storage tank, or facility used to store or  
7 distribute dyed diesel fuel without the notice required by  
8 Section 4f is guilty of a petty offense. For each subsequent  
9 offense the person is guilty of a Class A misdemeanor.

10           For purposes of this Section, dyed diesel fuel means any  
11 dyed diesel fuel whether or not dyed pursuant to Section 4d of  
12 this Law.

13           Any person aggrieved by any action of the Department under  
14 item 13, 14, 15, or 16 of this Section may protest the action  
15 by making a written request for a hearing within 60 days of the  
16 original action. If the hearing is not requested in writing  
17 within 60 days, the original action is final.

18           All penalties received under items 13, 14, 15, and 16 of  
19 this Section shall be deposited into the Tax Compliance and  
20 Administration Fund.

21           (Source: P.A. 102-851, eff. 1-1-23.)

22           (35 ILCS 505/16) (from Ch. 120, par. 432)

23           Sec. 16. The Department may, after 5 days' notice, revoke  
24 the distributor's or ~~receiver's, or supplier's~~ license or  
25 permit of any person (1) who does not operate as a distributor

1 ~~or 7 receiver, supplier~~ (a) under Sections 1.2, ~~1.14~~, or 1.20,  
2 (2) who violates any provision of this Act or any rule or  
3 regulation promulgated by the Department under Section 14 of  
4 this Act, or (3) who refuses to allow any inspection or test  
5 authorized by this Law.

6 Any person whose returns for 2 or more consecutive months  
7 do not show sufficient taxable sales to indicate an active  
8 business as a distributor or 7 receiver, ~~or supplier~~ shall be  
9 deemed to not be operating as a distributor or 7 receiver, ~~or~~  
10 ~~supplier~~ as defined in Sections 1.2, 1.14 or 1.20.

11 The Department may, after 5 days notice, revoke any  
12 distributor's or 7 receiver's, ~~or supplier's~~ license of a  
13 person who is registered as a reseller of motor fuel pursuant  
14 to Section 2a or 2c of the Retailers' Occupation Tax Act and  
15 who fails to collect such prepaid tax on invoiced gallons of  
16 motor fuel sold or who fails to deliver a statement of tax paid  
17 to the purchaser or to the Department as required by Sections  
18 2d and 2e of the Retailers' Occupation Tax Act.

19 The Department may, on notice given by registered mail,  
20 cancel a Blender's Permit for any violation of any provisions  
21 of this Act or for noncompliance with any rule or regulation  
22 made by the Department under Section 14 of this Act.

23 The Department, upon complaint filed in the circuit court,  
24 may, by injunction, restrain any person who fails or refuses  
25 to comply with the provisions of this Act from acting as a  
26 blender or distributor of motor fuel, ~~supplier of special~~

1 ~~fuel~~, or as a receiver of fuel in this State.

2 The Department may revoke the motor fuel use tax license  
3 of a motor carrier registered under Section 13a.4, or that is  
4 required to be registered under the terms of the International  
5 Fuel Tax Agreement, that violates any provision of this Act or  
6 any rule promulgated by the Department under Sections 14 or  
7 14a of this Act. Motor fuel use tax licenses that have been  
8 revoked are subject to a \$100 reinstatement fee.

9 Licensees registered or required to be registered under  
10 Section 13a.4, or persons required to obtain single trip  
11 permits under Section 13a.5, may protest any action or audit  
12 finding made by the Department by making a written request for  
13 a hearing within 30 days after service of the notice of the  
14 original action or finding. If the hearing is not requested  
15 within 30 days in writing, the original finding or action is  
16 final. Once a hearing has been properly requested, the  
17 Department shall give at least 20 days written notice of the  
18 time and place of the hearing.

19 (Source: P.A. 94-1074, eff. 12-26-06.)

20 (35 ILCS 505/1.14 rep.)

21 (35 ILCS 505/3a rep.)

22 (35 ILCS 505/5a rep.)

23 (35 ILCS 505/6a rep.)

24 Section 10. The Motor Fuel Tax Law is amended by repealing  
25 Sections 1.14, 3a, 5a, and 6a.