

SB4073



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB4073

Introduced 2/24/2026, by Sen. Jil Tracy

SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-1001

from Ch. 95 1/2, par. 3-1001

Amends the Illinois Vehicle Code. Provides that the \$15 tax imposed on the privilege of using any motor vehicle acquired by gift, transfer, or purchase also applies to stepparents, grandparents, stepgrandparents, stepsiblings, stepchildren, and stepgrandchildren.

LRB104 20921 LNS 34688 b

A BILL FOR

1 AN ACT concerning transportation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Vehicle Code is amended by
5 changing Section 3-1001 as follows:

6 (625 ILCS 5/3-1001) (from Ch. 95 1/2, par. 3-1001)

7 Sec. 3-1001. A tax is hereby imposed on the privilege of
8 using, in this State, any motor vehicle as defined in Section
9 1-146 of this Code acquired by gift, transfer, or purchase,
10 and having a year model designation preceding the year of
11 application for title by 5 or fewer years prior to October 1,
12 1985 and 10 or fewer years on and after October 1, 1985 and
13 prior to January 1, 1988. On and after January 1, 1988, the tax
14 shall apply to all motor vehicles without regard to model
15 year. Except that the tax shall not apply:

16 (i) if the use of the motor vehicle is otherwise taxed
17 under the Use Tax Act;

18 (ii) if the motor vehicle is bought and used by a
19 governmental agency or a society, association, foundation
20 or institution organized and operated exclusively for
21 charitable, religious or educational purposes;

22 (iii) if the use of the motor vehicle is not subject to
23 the Use Tax Act by reason of subsection (a), (b), (c), (d),

1 (e) or (f) of Section 3-55 of that Act dealing with the
 2 prevention of actual or likely multistate taxation;

3 (iv) to implements of husbandry;

4 (v) when a junking certificate is issued pursuant to
 5 Section 3-117(a) of this Code;

6 (vi) when a vehicle is subject to the replacement
 7 vehicle tax imposed by Section 3-2001 of this Act;

8 (vii) when the transfer is a gift to a beneficiary in
 9 the administration of an estate and the beneficiary is a
 10 surviving spouse;

11 (viii) if the motor vehicle is purchased for the
 12 purpose of resale by a retailer registered under Section
 13 2a of the Retailers' Occupation Tax Act.

14 Prior to January 1, 1988, the rate of tax shall be 5% of
 15 the selling price for each purchase of a motor vehicle covered
 16 by Section 3-1001 of this Code. Except as hereinafter
 17 provided, beginning January 1, 1988 and until January 1, 2022,
 18 the rate of tax shall be as follows for transactions in which
 19 the selling price of the motor vehicle is less than \$15,000:

20	Number of Years Transpired After	Applicable Tax
21	Model Year of Motor Vehicle	
22	1 or less	\$390
23	2	290
24	3	215
25	4	165
26	5	115

1	6	90
2	7	80
3	8	65
4	9	50
5	10	40
6	over 10	25

7 Except as hereinafter provided, beginning January 1, 1988 and
 8 until January 1, 2022, the rate of tax shall be as follows for
 9 transactions in which the selling price of the motor vehicle
 10 is \$15,000 or more:

11	Selling Price	Applicable Tax
12	\$15,000 - \$19,999	\$ 750
13	\$20,000 - \$24,999	\$1,000
14	\$25,000 - \$29,999	\$1,250
15	\$30,000 and over	\$1,500

16 Except as hereinafter provided, beginning on January 1,
 17 2022, the rate of tax shall be as follows for transactions in
 18 which the selling price of the motor vehicle is less than
 19 \$15,000:

20 (1) if one year or less has transpired after the model
 21 year of the vehicle, then the applicable tax is \$465;

22 (2) if 2 years have transpired after the model year of
 23 the motor vehicle, then the applicable tax is \$365;

24 (3) if 3 years have transpired after the model year of
 25 the motor vehicle, then the applicable tax is \$290;

26 (4) if 4 years have transpired after the model year of

1 the motor vehicle, then the applicable tax is \$240;

2 (5) if 5 years have transpired after the model year of
3 the motor vehicle, then the applicable tax is \$190;

4 (6) if 6 years have transpired after the model year of
5 the motor vehicle, then the applicable tax is \$165;

6 (7) if 7 years have transpired after the model year of
7 the motor vehicle, then the applicable tax is \$155;

8 (8) if 8 years have transpired after the model year of
9 the motor vehicle, then the applicable tax is \$140;

10 (9) if 9 years have transpired after the model year of
11 the motor vehicle, then the applicable tax is \$125;

12 (10) if 10 years have transpired after the model year
13 of the motor vehicle, then the applicable tax is \$115; and

14 (11) if more than 10 years have transpired after the
15 model year of the motor vehicle, then the applicable tax
16 is \$100.

17 Except as hereinafter provided, beginning on January 1,
18 2022, the rate of tax shall be as follows for transactions in
19 which the selling price of the motor vehicle is \$15,000 or
20 more:

21 (1) if the selling price is \$15,000 or more, but less
22 than \$20,000, then the applicable tax shall be \$850;

23 (2) if the selling price is \$20,000 or more, but less
24 than \$25,000, then the applicable tax shall be \$1,100;

25 (3) if the selling price is \$25,000 or more, but less
26 than \$30,000, then the applicable tax shall be \$1,350;

1 (4) if the selling price is \$30,000 or more, but less
2 than \$50,000, then the applicable tax shall be \$1,600;

3 (5) if the selling price is \$50,000 or more, but less
4 than \$100,000, then the applicable tax shall be \$2,600;

5 (6) if the selling price is \$100,000 or more, but less
6 than \$1,000,000, then the applicable tax shall be \$5,100;
7 and

8 (7) if the selling price is \$1,000,000 or more, then
9 the applicable tax shall be \$10,100.

10 For the following transactions, the tax rate shall be \$15 for
11 each motor vehicle acquired in such transaction:

12 (i) when the transferee or purchaser is the spouse,
13 parent, stepparent, grandparent, stepgrandparent,
14 sibling, stepsibling, ~~mother, father, brother, sister or~~
15 child, stepchild, grandchild, or stepgrandchild of the
16 transferor;

17 (ii) when the transfer is a gift to a beneficiary in
18 the administration of an estate, including, but not
19 limited to, the administration of an inter vivos trust
20 that became irrevocable upon the death of a grantor, and
21 the beneficiary is not a surviving spouse;

22 (iii) when a motor vehicle which has once been
23 subjected to the Illinois retailers' occupation tax or use
24 tax is transferred in connection with the organization,
25 reorganization, dissolution or partial liquidation of an
26 incorporated or unincorporated business wherein the

1 beneficial ownership is not changed.

2 A claim that the transaction is taxable under subparagraph
3 (i) shall be supported by such proof of family relationship as
4 provided by rules of the Department.

5 For a transaction in which a motorcycle, motor driven
6 cycle or moped is acquired the tax rate shall be \$25.

7 On and after October 1, 1985 and until January 1, 2022,
8 1/12 of \$5,000,000 of the moneys received by the Department of
9 Revenue pursuant to this Section shall be paid each month into
10 the Build Illinois Fund; on and after January 1, 2022, 1/12 of
11 \$40,000,000 of the moneys received by the Department of
12 Revenue pursuant to this Section shall be paid each month into
13 the Build Illinois Fund; and the remainder shall be paid into
14 the General Revenue Fund.

15 The tax imposed by this Section shall be abated and no
16 longer imposed when the amount deposited to secure the bonds
17 issued pursuant to the Build Illinois Bond Act is sufficient
18 to provide for the payment of the principal of, and interest
19 and premium, if any, on the bonds, as certified to the State
20 Comptroller and the Director of Revenue by the Director of the
21 Governor's Office of Management and Budget.

22 (Source: P.A. 104-6, eff. 6-16-25.)