



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3016

by Rep. Joyce Mason

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-10	
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 120/2-10	

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, beginning on January 1, 2020, the tax on gun safes and locks designed to secure firearms is imposed at the rate of 1%. Effective immediately.

LRB101 08894 HLH 53984 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Use Tax Act is amended by changing Section
5 3-10 as follows:

6 (35 ILCS 105/3-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this
8 Section, the tax imposed by this Act is at the rate of 6.25% of
9 either the selling price or the fair market value, if any, of
10 the tangible personal property. In all cases where property
11 functionally used or consumed is the same as the property that
12 was purchased at retail, then the tax is imposed on the selling
13 price of the property. In all cases where property functionally
14 used or consumed is a by-product or waste product that has been
15 refined, manufactured, or produced from property purchased at
16 retail, then the tax is imposed on the lower of the fair market
17 value, if any, of the specific property so used in this State
18 or on the selling price of the property purchased at retail.
19 For purposes of this Section "fair market value" means the
20 price at which property would change hands between a willing
21 buyer and a willing seller, neither being under any compulsion
22 to buy or sell and both having reasonable knowledge of the
23 relevant facts. The fair market value shall be established by

1 Illinois sales by the taxpayer of the same property as that
2 functionally used or consumed, or if there are no such sales by
3 the taxpayer, then comparable sales or purchases of property of
4 like kind and character in Illinois.

5 Beginning on July 1, 2000 and through December 31, 2000,
6 with respect to motor fuel, as defined in Section 1.1 of the
7 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
8 the Use Tax Act, the tax is imposed at the rate of 1.25%.

9 Beginning on August 6, 2010 through August 15, 2010, with
10 respect to sales tax holiday items as defined in Section 3-6 of
11 this Act, the tax is imposed at the rate of 1.25%.

12 With respect to gasohol, the tax imposed by this Act
13 applies to (i) 70% of the proceeds of sales made on or after
14 January 1, 1990, and before July 1, 2003, (ii) 80% of the
15 proceeds of sales made on or after July 1, 2003 and on or
16 before July 1, 2017, and (iii) 100% of the proceeds of sales
17 made thereafter. If, at any time, however, the tax under this
18 Act on sales of gasohol is imposed at the rate of 1.25%, then
19 the tax imposed by this Act applies to 100% of the proceeds of
20 sales of gasohol made during that time.

21 With respect to majority blended ethanol fuel, the tax
22 imposed by this Act does not apply to the proceeds of sales
23 made on or after July 1, 2003 and on or before December 31,
24 2023 but applies to 100% of the proceeds of sales made
25 thereafter.

26 With respect to biodiesel blends with no less than 1% and

1 no more than 10% biodiesel, the tax imposed by this Act applies
2 to (i) 80% of the proceeds of sales made on or after July 1,
3 2003 and on or before December 31, 2018 and (ii) 100% of the
4 proceeds of sales made thereafter. If, at any time, however,
5 the tax under this Act on sales of biodiesel blends with no
6 less than 1% and no more than 10% biodiesel is imposed at the
7 rate of 1.25%, then the tax imposed by this Act applies to 100%
8 of the proceeds of sales of biodiesel blends with no less than
9 1% and no more than 10% biodiesel made during that time.

10 With respect to 100% biodiesel and biodiesel blends with
11 more than 10% but no more than 99% biodiesel, the tax imposed
12 by this Act does not apply to the proceeds of sales made on or
13 after July 1, 2003 and on or before December 31, 2023 but
14 applies to 100% of the proceeds of sales made thereafter.

15 With respect to gun safes and locks designed to secure
16 firearms, beginning on January 1, 2020, the tax is imposed at
17 the rate of 1%.

18 With respect to food for human consumption that is to be
19 consumed off the premises where it is sold (other than
20 alcoholic beverages, soft drinks, and food that has been
21 prepared for immediate consumption) and prescription and
22 nonprescription medicines, drugs, medical appliances, products
23 classified as Class III medical devices by the United States
24 Food and Drug Administration that are used for cancer treatment
25 pursuant to a prescription, as well as any accessories and
26 components related to those devices, modifications to a motor

1 vehicle for the purpose of rendering it usable by a person with
2 a disability, and insulin, urine testing materials, syringes,
3 and needles used by diabetics, for human use, the tax is
4 imposed at the rate of 1%. For the purposes of this Section,
5 until September 1, 2009: the term "soft drinks" means any
6 complete, finished, ready-to-use, non-alcoholic drink, whether
7 carbonated or not, including but not limited to soda water,
8 cola, fruit juice, vegetable juice, carbonated water, and all
9 other preparations commonly known as soft drinks of whatever
10 kind or description that are contained in any closed or sealed
11 bottle, can, carton, or container, regardless of size; but
12 "soft drinks" does not include coffee, tea, non-carbonated
13 water, infant formula, milk or milk products as defined in the
14 Grade A Pasteurized Milk and Milk Products Act, or drinks
15 containing 50% or more natural fruit or vegetable juice.

16 Notwithstanding any other provisions of this Act,
17 beginning September 1, 2009, "soft drinks" means non-alcoholic
18 beverages that contain natural or artificial sweeteners. "Soft
19 drinks" do not include beverages that contain milk or milk
20 products, soy, rice or similar milk substitutes, or greater
21 than 50% of vegetable or fruit juice by volume.

22 Until August 1, 2009, and notwithstanding any other
23 provisions of this Act, "food for human consumption that is to
24 be consumed off the premises where it is sold" includes all
25 food sold through a vending machine, except soft drinks and
26 food products that are dispensed hot from a vending machine,

1 regardless of the location of the vending machine. Beginning
2 August 1, 2009, and notwithstanding any other provisions of
3 this Act, "food for human consumption that is to be consumed
4 off the premises where it is sold" includes all food sold
5 through a vending machine, except soft drinks, candy, and food
6 products that are dispensed hot from a vending machine,
7 regardless of the location of the vending machine.

8 Notwithstanding any other provisions of this Act,
9 beginning September 1, 2009, "food for human consumption that
10 is to be consumed off the premises where it is sold" does not
11 include candy. For purposes of this Section, "candy" means a
12 preparation of sugar, honey, or other natural or artificial
13 sweeteners in combination with chocolate, fruits, nuts or other
14 ingredients or flavorings in the form of bars, drops, or
15 pieces. "Candy" does not include any preparation that contains
16 flour or requires refrigeration.

17 Notwithstanding any other provisions of this Act,
18 beginning September 1, 2009, "nonprescription medicines and
19 drugs" does not include grooming and hygiene products. For
20 purposes of this Section, "grooming and hygiene products"
21 includes, but is not limited to, soaps and cleaning solutions,
22 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
23 lotions and screens, unless those products are available by
24 prescription only, regardless of whether the products meet the
25 definition of "over-the-counter-drugs". For the purposes of
26 this paragraph, "over-the-counter-drug" means a drug for human

1 use that contains a label that identifies the product as a drug
2 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
3 label includes:

4 (A) A "Drug Facts" panel; or

5 (B) A statement of the "active ingredient(s)" with a
6 list of those ingredients contained in the compound,
7 substance or preparation.

8 Beginning on the effective date of this amendatory Act of
9 the 98th General Assembly, "prescription and nonprescription
10 medicines and drugs" includes medical cannabis purchased from a
11 registered dispensing organization under the Compassionate Use
12 of Medical Cannabis Pilot Program Act.

13 If the property that is purchased at retail from a retailer
14 is acquired outside Illinois and used outside Illinois before
15 being brought to Illinois for use here and is taxable under
16 this Act, the "selling price" on which the tax is computed
17 shall be reduced by an amount that represents a reasonable
18 allowance for depreciation for the period of prior out-of-state
19 use.

20 (Source: P.A. 99-143, eff. 7-27-15; 99-858, eff. 8-19-16;
21 100-22, eff. 7-6-17.)

22 Section 10. The Service Use Tax Act is amended by changing
23 Section 3-10 as follows:

24 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

1 Sec. 3-10. Rate of tax. Unless otherwise provided in this
2 Section, the tax imposed by this Act is at the rate of 6.25% of
3 the selling price of tangible personal property transferred as
4 an incident to the sale of service, but, for the purpose of
5 computing this tax, in no event shall the selling price be less
6 than the cost price of the property to the serviceman.

7 Beginning on July 1, 2000 and through December 31, 2000,
8 with respect to motor fuel, as defined in Section 1.1 of the
9 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
10 the Use Tax Act, the tax is imposed at the rate of 1.25%.

11 With respect to gasohol, as defined in the Use Tax Act, the
12 tax imposed by this Act applies to (i) 70% of the selling price
13 of property transferred as an incident to the sale of service
14 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
15 of the selling price of property transferred as an incident to
16 the sale of service on or after July 1, 2003 and on or before
17 July 1, 2017, and (iii) 100% of the selling price thereafter.
18 If, at any time, however, the tax under this Act on sales of
19 gasohol, as defined in the Use Tax Act, is imposed at the rate
20 of 1.25%, then the tax imposed by this Act applies to 100% of
21 the proceeds of sales of gasohol made during that time.

22 With respect to majority blended ethanol fuel, as defined
23 in the Use Tax Act, the tax imposed by this Act does not apply
24 to the selling price of property transferred as an incident to
25 the sale of service on or after July 1, 2003 and on or before
26 December 31, 2023 but applies to 100% of the selling price

1 thereafter.

2 With respect to biodiesel blends, as defined in the Use Tax
3 Act, with no less than 1% and no more than 10% biodiesel, the
4 tax imposed by this Act applies to (i) 80% of the selling price
5 of property transferred as an incident to the sale of service
6 on or after July 1, 2003 and on or before December 31, 2018 and
7 (ii) 100% of the proceeds of the selling price thereafter. If,
8 at any time, however, the tax under this Act on sales of
9 biodiesel blends, as defined in the Use Tax Act, with no less
10 than 1% and no more than 10% biodiesel is imposed at the rate
11 of 1.25%, then the tax imposed by this Act applies to 100% of
12 the proceeds of sales of biodiesel blends with no less than 1%
13 and no more than 10% biodiesel made during that time.

14 With respect to 100% biodiesel, as defined in the Use Tax
15 Act, and biodiesel blends, as defined in the Use Tax Act, with
16 more than 10% but no more than 99% biodiesel, the tax imposed
17 by this Act does not apply to the proceeds of the selling price
18 of property transferred as an incident to the sale of service
19 on or after July 1, 2003 and on or before December 31, 2023 but
20 applies to 100% of the selling price thereafter.

21 At the election of any registered serviceman made for each
22 fiscal year, sales of service in which the aggregate annual
23 cost price of tangible personal property transferred as an
24 incident to the sales of service is less than 35%, or 75% in
25 the case of servicemen transferring prescription drugs or
26 servicemen engaged in graphic arts production, of the aggregate

1 annual total gross receipts from all sales of service, the tax
2 imposed by this Act shall be based on the serviceman's cost
3 price of the tangible personal property transferred as an
4 incident to the sale of those services.

5 With respect to gun safes and locks designed to secure
6 firearms, beginning on January 1, 2020, the tax is imposed at
7 the rate of 1%.

8 The tax shall be imposed at the rate of 1% on food prepared
9 for immediate consumption and transferred incident to a sale of
10 service subject to this Act or the Service Occupation Tax Act
11 by an entity licensed under the Hospital Licensing Act, the
12 Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD
13 Act, the Specialized Mental Health Rehabilitation Act of 2013,
14 or the Child Care Act of 1969. The tax shall also be imposed at
15 the rate of 1% on food for human consumption that is to be
16 consumed off the premises where it is sold (other than
17 alcoholic beverages, soft drinks, and food that has been
18 prepared for immediate consumption and is not otherwise
19 included in this paragraph) and prescription and
20 nonprescription medicines, drugs, medical appliances, products
21 classified as Class III medical devices by the United States
22 Food and Drug Administration that are used for cancer treatment
23 pursuant to a prescription, as well as any accessories and
24 components related to those devices, modifications to a motor
25 vehicle for the purpose of rendering it usable by a person with
26 a disability, and insulin, urine testing materials, syringes,

1 and needles used by diabetics, for human use. For the purposes
2 of this Section, until September 1, 2009: the term "soft
3 drinks" means any complete, finished, ready-to-use,
4 non-alcoholic drink, whether carbonated or not, including but
5 not limited to soda water, cola, fruit juice, vegetable juice,
6 carbonated water, and all other preparations commonly known as
7 soft drinks of whatever kind or description that are contained
8 in any closed or sealed bottle, can, carton, or container,
9 regardless of size; but "soft drinks" does not include coffee,
10 tea, non-carbonated water, infant formula, milk or milk
11 products as defined in the Grade A Pasteurized Milk and Milk
12 Products Act, or drinks containing 50% or more natural fruit or
13 vegetable juice.

14 Notwithstanding any other provisions of this Act,
15 beginning September 1, 2009, "soft drinks" means non-alcoholic
16 beverages that contain natural or artificial sweeteners. "Soft
17 drinks" do not include beverages that contain milk or milk
18 products, soy, rice or similar milk substitutes, or greater
19 than 50% of vegetable or fruit juice by volume.

20 Until August 1, 2009, and notwithstanding any other
21 provisions of this Act, "food for human consumption that is to
22 be consumed off the premises where it is sold" includes all
23 food sold through a vending machine, except soft drinks and
24 food products that are dispensed hot from a vending machine,
25 regardless of the location of the vending machine. Beginning
26 August 1, 2009, and notwithstanding any other provisions of

1 this Act, "food for human consumption that is to be consumed
2 off the premises where it is sold" includes all food sold
3 through a vending machine, except soft drinks, candy, and food
4 products that are dispensed hot from a vending machine,
5 regardless of the location of the vending machine.

6 Notwithstanding any other provisions of this Act,
7 beginning September 1, 2009, "food for human consumption that
8 is to be consumed off the premises where it is sold" does not
9 include candy. For purposes of this Section, "candy" means a
10 preparation of sugar, honey, or other natural or artificial
11 sweeteners in combination with chocolate, fruits, nuts or other
12 ingredients or flavorings in the form of bars, drops, or
13 pieces. "Candy" does not include any preparation that contains
14 flour or requires refrigeration.

15 Notwithstanding any other provisions of this Act,
16 beginning September 1, 2009, "nonprescription medicines and
17 drugs" does not include grooming and hygiene products. For
18 purposes of this Section, "grooming and hygiene products"
19 includes, but is not limited to, soaps and cleaning solutions,
20 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
21 lotions and screens, unless those products are available by
22 prescription only, regardless of whether the products meet the
23 definition of "over-the-counter-drugs". For the purposes of
24 this paragraph, "over-the-counter-drug" means a drug for human
25 use that contains a label that identifies the product as a drug
26 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"

1 label includes:

2 (A) A "Drug Facts" panel; or

3 (B) A statement of the "active ingredient(s)" with a
4 list of those ingredients contained in the compound,
5 substance or preparation.

6 Beginning on January 1, 2014 (the effective date of Public
7 Act 98-122), "prescription and nonprescription medicines and
8 drugs" includes medical cannabis purchased from a registered
9 dispensing organization under the Compassionate Use of Medical
10 Cannabis Pilot Program Act.

11 If the property that is acquired from a serviceman is
12 acquired outside Illinois and used outside Illinois before
13 being brought to Illinois for use here and is taxable under
14 this Act, the "selling price" on which the tax is computed
15 shall be reduced by an amount that represents a reasonable
16 allowance for depreciation for the period of prior out-of-state
17 use.

18 (Source: P.A. 99-143, eff. 7-27-15; 99-180, eff. 7-29-15;
19 99-642, eff. 7-28-16; 99-858, eff. 8-19-16; 100-22, eff.
20 7-6-17.)

21 Section 15. The Service Occupation Tax Act is amended by
22 changing Section 3-10 as follows:

23 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

24 Sec. 3-10. Rate of tax. Unless otherwise provided in this

1 Section, the tax imposed by this Act is at the rate of 6.25% of
2 the "selling price", as defined in Section 2 of the Service Use
3 Tax Act, of the tangible personal property. For the purpose of
4 computing this tax, in no event shall the "selling price" be
5 less than the cost price to the serviceman of the tangible
6 personal property transferred. The selling price of each item
7 of tangible personal property transferred as an incident of a
8 sale of service may be shown as a distinct and separate item on
9 the serviceman's billing to the service customer. If the
10 selling price is not so shown, the selling price of the
11 tangible personal property is deemed to be 50% of the
12 serviceman's entire billing to the service customer. When,
13 however, a serviceman contracts to design, develop, and produce
14 special order machinery or equipment, the tax imposed by this
15 Act shall be based on the serviceman's cost price of the
16 tangible personal property transferred incident to the
17 completion of the contract.

18 Beginning on July 1, 2000 and through December 31, 2000,
19 with respect to motor fuel, as defined in Section 1.1 of the
20 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
21 the Use Tax Act, the tax is imposed at the rate of 1.25%.

22 With respect to gasohol, as defined in the Use Tax Act, the
23 tax imposed by this Act shall apply to (i) 70% of the cost
24 price of property transferred as an incident to the sale of
25 service on or after January 1, 1990, and before July 1, 2003,
26 (ii) 80% of the selling price of property transferred as an

1 incident to the sale of service on or after July 1, 2003 and on
2 or before July 1, 2017, and (iii) 100% of the cost price
3 thereafter. If, at any time, however, the tax under this Act on
4 sales of gasohol, as defined in the Use Tax Act, is imposed at
5 the rate of 1.25%, then the tax imposed by this Act applies to
6 100% of the proceeds of sales of gasohol made during that time.

7 With respect to majority blended ethanol fuel, as defined
8 in the Use Tax Act, the tax imposed by this Act does not apply
9 to the selling price of property transferred as an incident to
10 the sale of service on or after July 1, 2003 and on or before
11 December 31, 2023 but applies to 100% of the selling price
12 thereafter.

13 With respect to gun safes and locks designed to secure
14 firearms, beginning on January 1, 2020, the tax is imposed at
15 the rate of 1%.

16 With respect to biodiesel blends, as defined in the Use Tax
17 Act, with no less than 1% and no more than 10% biodiesel, the
18 tax imposed by this Act applies to (i) 80% of the selling price
19 of property transferred as an incident to the sale of service
20 on or after July 1, 2003 and on or before December 31, 2018 and
21 (ii) 100% of the proceeds of the selling price thereafter. If,
22 at any time, however, the tax under this Act on sales of
23 biodiesel blends, as defined in the Use Tax Act, with no less
24 than 1% and no more than 10% biodiesel is imposed at the rate
25 of 1.25%, then the tax imposed by this Act applies to 100% of
26 the proceeds of sales of biodiesel blends with no less than 1%

1 and no more than 10% biodiesel made during that time.

2 With respect to 100% biodiesel, as defined in the Use Tax
3 Act, and biodiesel blends, as defined in the Use Tax Act, with
4 more than 10% but no more than 99% biodiesel material, the tax
5 imposed by this Act does not apply to the proceeds of the
6 selling price of property transferred as an incident to the
7 sale of service on or after July 1, 2003 and on or before
8 December 31, 2023 but applies to 100% of the selling price
9 thereafter.

10 At the election of any registered serviceman made for each
11 fiscal year, sales of service in which the aggregate annual
12 cost price of tangible personal property transferred as an
13 incident to the sales of service is less than 35%, or 75% in
14 the case of servicemen transferring prescription drugs or
15 servicemen engaged in graphic arts production, of the aggregate
16 annual total gross receipts from all sales of service, the tax
17 imposed by this Act shall be based on the serviceman's cost
18 price of the tangible personal property transferred incident to
19 the sale of those services.

20 The tax shall be imposed at the rate of 1% on food prepared
21 for immediate consumption and transferred incident to a sale of
22 service subject to this Act or the Service Occupation Tax Act
23 by an entity licensed under the Hospital Licensing Act, the
24 Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD
25 Act, the Specialized Mental Health Rehabilitation Act of 2013,
26 or the Child Care Act of 1969. The tax shall also be imposed at

1 the rate of 1% on food for human consumption that is to be
2 consumed off the premises where it is sold (other than
3 alcoholic beverages, soft drinks, and food that has been
4 prepared for immediate consumption and is not otherwise
5 included in this paragraph) and prescription and
6 nonprescription medicines, drugs, medical appliances, products
7 classified as Class III medical devices by the United States
8 Food and Drug Administration that are used for cancer treatment
9 pursuant to a prescription, as well as any accessories and
10 components related to those devices, modifications to a motor
11 vehicle for the purpose of rendering it usable by a person with
12 a disability, and insulin, urine testing materials, syringes,
13 and needles used by diabetics, for human use. For the purposes
14 of this Section, until September 1, 2009: the term "soft
15 drinks" means any complete, finished, ready-to-use,
16 non-alcoholic drink, whether carbonated or not, including but
17 not limited to soda water, cola, fruit juice, vegetable juice,
18 carbonated water, and all other preparations commonly known as
19 soft drinks of whatever kind or description that are contained
20 in any closed or sealed can, carton, or container, regardless
21 of size; but "soft drinks" does not include coffee, tea,
22 non-carbonated water, infant formula, milk or milk products as
23 defined in the Grade A Pasteurized Milk and Milk Products Act,
24 or drinks containing 50% or more natural fruit or vegetable
25 juice.

26 Notwithstanding any other provisions of this Act,

1 beginning September 1, 2009, "soft drinks" means non-alcoholic
2 beverages that contain natural or artificial sweeteners. "Soft
3 drinks" do not include beverages that contain milk or milk
4 products, soy, rice or similar milk substitutes, or greater
5 than 50% of vegetable or fruit juice by volume.

6 Until August 1, 2009, and notwithstanding any other
7 provisions of this Act, "food for human consumption that is to
8 be consumed off the premises where it is sold" includes all
9 food sold through a vending machine, except soft drinks and
10 food products that are dispensed hot from a vending machine,
11 regardless of the location of the vending machine. Beginning
12 August 1, 2009, and notwithstanding any other provisions of
13 this Act, "food for human consumption that is to be consumed
14 off the premises where it is sold" includes all food sold
15 through a vending machine, except soft drinks, candy, and food
16 products that are dispensed hot from a vending machine,
17 regardless of the location of the vending machine.

18 Notwithstanding any other provisions of this Act,
19 beginning September 1, 2009, "food for human consumption that
20 is to be consumed off the premises where it is sold" does not
21 include candy. For purposes of this Section, "candy" means a
22 preparation of sugar, honey, or other natural or artificial
23 sweeteners in combination with chocolate, fruits, nuts or other
24 ingredients or flavorings in the form of bars, drops, or
25 pieces. "Candy" does not include any preparation that contains
26 flour or requires refrigeration.

1 Notwithstanding any other provisions of this Act,
2 beginning September 1, 2009, "nonprescription medicines and
3 drugs" does not include grooming and hygiene products. For
4 purposes of this Section, "grooming and hygiene products"
5 includes, but is not limited to, soaps and cleaning solutions,
6 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
7 lotions and screens, unless those products are available by
8 prescription only, regardless of whether the products meet the
9 definition of "over-the-counter-drugs". For the purposes of
10 this paragraph, "over-the-counter-drug" means a drug for human
11 use that contains a label that identifies the product as a drug
12 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
13 label includes:

- 14 (A) A "Drug Facts" panel; or
15 (B) A statement of the "active ingredient(s)" with a
16 list of those ingredients contained in the compound,
17 substance or preparation.

18 Beginning on January 1, 2014 (the effective date of Public
19 Act 98-122), "prescription and nonprescription medicines and
20 drugs" includes medical cannabis purchased from a registered
21 dispensing organization under the Compassionate Use of Medical
22 Cannabis Pilot Program Act.

23 (Source: P.A. 99-143, eff. 7-27-15; 99-180, eff. 7-29-15;
24 99-642, eff. 7-28-16; 99-858, eff. 8-19-16; 100-22, eff.
25 7-6-17.)

1 Section 20. The Retailers' Occupation Tax Act is amended by
2 changing Section 2-10 as follows:

3 (35 ILCS 120/2-10)

4 Sec. 2-10. Rate of tax. Unless otherwise provided in this
5 Section, the tax imposed by this Act is at the rate of 6.25% of
6 gross receipts from sales of tangible personal property made in
7 the course of business.

8 Beginning on July 1, 2000 and through December 31, 2000,
9 with respect to motor fuel, as defined in Section 1.1 of the
10 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
11 the Use Tax Act, the tax is imposed at the rate of 1.25%.

12 Beginning on August 6, 2010 through August 15, 2010, with
13 respect to sales tax holiday items as defined in Section 2-8 of
14 this Act, the tax is imposed at the rate of 1.25%.

15 Within 14 days after the effective date of this amendatory
16 Act of the 91st General Assembly, each retailer of motor fuel
17 and gasohol shall cause the following notice to be posted in a
18 prominently visible place on each retail dispensing device that
19 is used to dispense motor fuel or gasohol in the State of
20 Illinois: "As of July 1, 2000, the State of Illinois has
21 eliminated the State's share of sales tax on motor fuel and
22 gasohol through December 31, 2000. The price on this pump
23 should reflect the elimination of the tax." The notice shall be
24 printed in bold print on a sign that is no smaller than 4
25 inches by 8 inches. The sign shall be clearly visible to

1 customers. Any retailer who fails to post or maintain a
2 required sign through December 31, 2000 is guilty of a petty
3 offense for which the fine shall be \$500 per day per each
4 retail premises where a violation occurs.

5 With respect to gasohol, as defined in the Use Tax Act, the
6 tax imposed by this Act applies to (i) 70% of the proceeds of
7 sales made on or after January 1, 1990, and before July 1,
8 2003, (ii) 80% of the proceeds of sales made on or after July
9 1, 2003 and on or before July 1, 2017, and (iii) 100% of the
10 proceeds of sales made thereafter. If, at any time, however,
11 the tax under this Act on sales of gasohol, as defined in the
12 Use Tax Act, is imposed at the rate of 1.25%, then the tax
13 imposed by this Act applies to 100% of the proceeds of sales of
14 gasohol made during that time.

15 With respect to majority blended ethanol fuel, as defined
16 in the Use Tax Act, the tax imposed by this Act does not apply
17 to the proceeds of sales made on or after July 1, 2003 and on or
18 before December 31, 2023 but applies to 100% of the proceeds of
19 sales made thereafter.

20 With respect to biodiesel blends, as defined in the Use Tax
21 Act, with no less than 1% and no more than 10% biodiesel, the
22 tax imposed by this Act applies to (i) 80% of the proceeds of
23 sales made on or after July 1, 2003 and on or before December
24 31, 2018 and (ii) 100% of the proceeds of sales made
25 thereafter. If, at any time, however, the tax under this Act on
26 sales of biodiesel blends, as defined in the Use Tax Act, with

1 no less than 1% and no more than 10% biodiesel is imposed at
2 the rate of 1.25%, then the tax imposed by this Act applies to
3 100% of the proceeds of sales of biodiesel blends with no less
4 than 1% and no more than 10% biodiesel made during that time.

5 With respect to 100% biodiesel, as defined in the Use Tax
6 Act, and biodiesel blends, as defined in the Use Tax Act, with
7 more than 10% but no more than 99% biodiesel, the tax imposed
8 by this Act does not apply to the proceeds of sales made on or
9 after July 1, 2003 and on or before December 31, 2023 but
10 applies to 100% of the proceeds of sales made thereafter.

11 With respect to gun safes and locks designed to secure
12 firearms, beginning on January 1, 2020, the tax is imposed at
13 the rate of 1%.

14 With respect to food for human consumption that is to be
15 consumed off the premises where it is sold (other than
16 alcoholic beverages, soft drinks, and food that has been
17 prepared for immediate consumption) and prescription and
18 nonprescription medicines, drugs, medical appliances, products
19 classified as Class III medical devices by the United States
20 Food and Drug Administration that are used for cancer treatment
21 pursuant to a prescription, as well as any accessories and
22 components related to those devices, modifications to a motor
23 vehicle for the purpose of rendering it usable by a person with
24 a disability, and insulin, urine testing materials, syringes,
25 and needles used by diabetics, for human use, the tax is
26 imposed at the rate of 1%. For the purposes of this Section,

1 until September 1, 2009: the term "soft drinks" means any
2 complete, finished, ready-to-use, non-alcoholic drink, whether
3 carbonated or not, including but not limited to soda water,
4 cola, fruit juice, vegetable juice, carbonated water, and all
5 other preparations commonly known as soft drinks of whatever
6 kind or description that are contained in any closed or sealed
7 bottle, can, carton, or container, regardless of size; but
8 "soft drinks" does not include coffee, tea, non-carbonated
9 water, infant formula, milk or milk products as defined in the
10 Grade A Pasteurized Milk and Milk Products Act, or drinks
11 containing 50% or more natural fruit or vegetable juice.

12 Notwithstanding any other provisions of this Act,
13 beginning September 1, 2009, "soft drinks" means non-alcoholic
14 beverages that contain natural or artificial sweeteners. "Soft
15 drinks" do not include beverages that contain milk or milk
16 products, soy, rice or similar milk substitutes, or greater
17 than 50% of vegetable or fruit juice by volume.

18 Until August 1, 2009, and notwithstanding any other
19 provisions of this Act, "food for human consumption that is to
20 be consumed off the premises where it is sold" includes all
21 food sold through a vending machine, except soft drinks and
22 food products that are dispensed hot from a vending machine,
23 regardless of the location of the vending machine. Beginning
24 August 1, 2009, and notwithstanding any other provisions of
25 this Act, "food for human consumption that is to be consumed
26 off the premises where it is sold" includes all food sold

1 through a vending machine, except soft drinks, candy, and food
2 products that are dispensed hot from a vending machine,
3 regardless of the location of the vending machine.

4 Notwithstanding any other provisions of this Act,
5 beginning September 1, 2009, "food for human consumption that
6 is to be consumed off the premises where it is sold" does not
7 include candy. For purposes of this Section, "candy" means a
8 preparation of sugar, honey, or other natural or artificial
9 sweeteners in combination with chocolate, fruits, nuts or other
10 ingredients or flavorings in the form of bars, drops, or
11 pieces. "Candy" does not include any preparation that contains
12 flour or requires refrigeration.

13 Notwithstanding any other provisions of this Act,
14 beginning September 1, 2009, "nonprescription medicines and
15 drugs" does not include grooming and hygiene products. For
16 purposes of this Section, "grooming and hygiene products"
17 includes, but is not limited to, soaps and cleaning solutions,
18 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
19 lotions and screens, unless those products are available by
20 prescription only, regardless of whether the products meet the
21 definition of "over-the-counter-drugs". For the purposes of
22 this paragraph, "over-the-counter-drug" means a drug for human
23 use that contains a label that identifies the product as a drug
24 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
25 label includes:

26 (A) A "Drug Facts" panel; or

1 (B) A statement of the "active ingredient(s)" with a
2 list of those ingredients contained in the compound,
3 substance or preparation.

4 Beginning on the effective date of this amendatory Act of
5 the 98th General Assembly, "prescription and nonprescription
6 medicines and drugs" includes medical cannabis purchased from a
7 registered dispensing organization under the Compassionate Use
8 of Medical Cannabis Pilot Program Act.

9 (Source: P.A. 99-143, eff. 7-27-15; 99-858, eff. 8-19-16;
10 100-22, eff. 7-6-17.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.