

HB3660



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3660

by Rep. Robert Martwick

SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-1001

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

Amends the Illinois Vehicle Code. Increases the use tax rate for private sales of motor vehicles valued at \$30,000 or more from a flat rate of \$1,500 to the following rates: \$2,000 for a vehicle valued from \$30,000 to \$49,999; \$2,500 for a vehicle valued from \$50,000 to \$99,999; \$5,000 for a vehicle valued from \$100,000 to \$999,999; and \$10,000 for a vehicle valued at \$1,000,000 or more. Provides that the same motorcycles, motor driven cycles, and mopeds are subject to the same rates as other motor vehicles (currently a flat rate of \$25 is imposed regardless of value). Effective January 1, 2020.

LRB101 10595 HLH 55701 b

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Vehicle Code is amended by changing
5 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, and
10 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 year.
15 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 Prior to January 1, 1988, the rate of tax shall be 5% of
 12 the selling price for each purchase of a motor vehicle covered
 13 by Section 3-1001 of this Code. Except as hereinafter provided,
 14 beginning January 1, 1988, the rate of tax shall be as follows
 15 for transactions in which the selling price of the motor
 16 vehicle is less than \$15,000:

17	Number of Years Transpired After	Applicable Tax
18	Model Year of Motor Vehicle	
19	1 or less	\$390
20	2	290
21	3	215
22	4	165
23	5	115
24	6	90
25	7	80
26	8	65

1	9	50
2	10	40
3	over 10	25

4 Except as hereinafter provided, beginning January 1, 1988 and
 5 through December 31, 2019, the rate of tax shall be as follows
 6 for transactions in which the selling price of the motor
 7 vehicle is \$15,000 or more:

8	Selling Price	Applicable Tax
9	\$15,000 - \$19,999	\$ 750
10	\$20,000 - \$24,999	\$1,000
11	\$25,000 - \$29,999	\$1,250
12	\$30,000 and over	\$1,500

13 Except as hereinafter provided, beginning January 1, 2020, the
 14 rate of tax shall be as follows for transactions in which the
 15 selling price of the motor vehicle is \$15,000 or more:

16	<u>Selling Price</u>	<u>Applicable Tax</u>
17	<u>\$15,000 - \$19,999</u>	<u>\$750</u>
18	<u>\$20,000 - \$24,999</u>	<u>\$1,000</u>
19	<u>\$25,000 - \$29,999</u>	<u>\$1,250</u>
20	<u>\$30,000 - \$49,999</u>	<u>\$2,000</u>
21	<u>\$50,000 - \$99,999</u>	<u>\$2,500</u>
22	<u>\$100,000 - \$999,999</u>	<u>\$5,000</u>
23	<u>\$1,000,000 and over</u>	<u>\$10,000</u>

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

26 (i) when the transferee or purchaser is the spouse,

1 mother, father, brother, sister or child of the transferor;

2 (ii) when the transfer is a gift to a beneficiary in
3 the administration of an estate and the beneficiary is not
4 a surviving spouse;

5 (iii) when a motor vehicle which has once been
6 subjected to the Illinois retailers' occupation tax or use
7 tax is transferred in connection with the organization,
8 reorganization, dissolution or partial liquidation of an
9 incorporated or unincorporated business wherein the
10 beneficial ownership is not changed.

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

14 Until January 1, 2020, for ~~For~~ a transaction in which a
15 motorcycle, motor driven cycle or moped is acquired the tax
16 rate shall be \$25. For transactions on or after January 1,
17 2020, the tax rate for motorcycles, motor driven cycles, and
18 mopeds shall be the same as for all other motor vehicles.

19 On and after October 1, 1985, 1/12 of \$5,000,000 of the
20 moneys received by the Department of Revenue pursuant to this
21 Section shall be paid each month into the Build Illinois Fund
22 and the remainder into the General Revenue Fund.

23 The tax imposed by this Section shall be abated and no
24 longer imposed when the amount deposited to secure the bonds
25 issued pursuant to the Build Illinois Bond Act is sufficient to
26 provide for the payment of the principal of, and interest and

1 premium, if any, on the bonds, as certified to the State
2 Comptroller and the Director of Revenue by the Director of the
3 Governor's Office of Management and Budget.

4 (Source: P.A. 96-554, eff. 1-1-10.)

5 Section 99. Effective date. This Act takes effect January
6 1, 2020.