



Sen. Patrick J. Joyce

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10200SB3596sam001

LRB102 23331 HLH 35807 a

1 AMENDMENT TO SENATE BILL 3596

2 AMENDMENT NO. _____. Amend Senate Bill 3596 by replacing
3 everything after the enacting clause with the following:

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
14 functionally used or consumed is a by-product or waste product
15 that has been refined, manufactured, or produced from property
16 purchased at retail, then the tax is imposed on the lower of

1 the fair market value, if any, of the specific property so used
2 in this State or on the selling price of the property purchased
3 at retail. For purposes of this Section "fair market value"
4 means the price at which property would change hands between a
5 willing buyer and a willing seller, neither being under any
6 compulsion to buy or sell and both having reasonable knowledge
7 of the relevant facts. The fair market value shall be
8 established by Illinois sales by the taxpayer of the same
9 property as that functionally used or consumed, or if there
10 are no such sales by the taxpayer, then comparable sales or
11 purchases of property of like kind and character in Illinois.

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

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

19 With respect to gasohol, the tax imposed by this Act
20 applies to (i) 70% of the proceeds of sales made on or after
21 January 1, 1990, and before July 1, 2003, (ii) 80% of the
22 proceeds of sales made on or after July 1, 2003 and on or
23 before July 1, 2017, and (iii) 100% of the proceeds of sales
24 made thereafter. If, at any time, however, the tax under this
25 Act on sales of gasohol is imposed at the rate of 1.25%, then
26 the tax imposed by this Act applies to 100% of the proceeds of

1 sales of gasohol made during that time.

2 With respect to majority blended ethanol fuel, the tax
3 imposed by this Act does not apply to the proceeds of sales
4 made on or after July 1, 2003 and on or before December 31,
5 2023 but applies to 100% of the proceeds of sales made
6 thereafter.

7 With respect to biodiesel blends with no less than 1% and
8 no more than 10% biodiesel, the tax imposed by this Act applies
9 to (i) 80% of the proceeds of sales made on or after July 1,
10 2003 and on or before December 31, 2018 and (ii) 100% of the
11 proceeds of sales made thereafter. If, at any time, however,
12 the tax under this Act on sales of biodiesel blends with no
13 less than 1% and no more than 10% biodiesel is imposed at the
14 rate of 1.25%, then the tax imposed by this Act applies to 100%
15 of the proceeds of sales of biodiesel blends with no less than
16 1% and no more than 10% biodiesel made during that time.

17 With respect to 100% biodiesel and biodiesel blends with
18 more than 10% but no more than 99% biodiesel, the tax imposed
19 by this Act does not apply to the proceeds of sales made on or
20 after July 1, 2003 and on or before June 30, 2023 ~~December 31,~~
21 ~~2023~~ but, except as otherwise provided in this paragraph with
22 respect to 100% biodiesel and biodiesel blends with more than
23 19% but no more than 99% biodiesel, applies to 100% of the
24 proceeds of sales made thereafter. With respect to 100%
25 biodiesel and biodiesel blends with more than 19% but no more
26 than 99% biodiesel, the tax imposed by this Act does not apply

1 to proceeds of sales made on or after July 1, 2023.

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

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

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

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

1 flour or requires refrigeration.

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

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

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

19 Beginning on the effective date of this amendatory Act of
20 the 98th General Assembly, "prescription and nonprescription
21 medicines and drugs" includes medical cannabis purchased from
22 a registered dispensing organization under the Compassionate
23 Use of Medical Cannabis Program Act.

24 As used in this Section, "adult use cannabis" means
25 cannabis subject to tax under the Cannabis Cultivation
26 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law

1 and does not include cannabis subject to tax under the
2 Compassionate Use of Medical Cannabis Program Act.

3 If the property that is purchased at retail from a
4 retailer is acquired outside Illinois and used outside
5 Illinois before being brought to Illinois for use here and is
6 taxable under this Act, the "selling price" on which the tax is
7 computed shall be reduced by an amount that represents a
8 reasonable allowance for depreciation for the period of prior
9 out-of-state use.

10 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
11 102-4, eff. 4-27-21.)

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

14 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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

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

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

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

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

4 With respect to 100% biodiesel, as defined in the Use Tax
5 Act, and biodiesel blends, as defined in the Use Tax Act, with
6 more than 10% but no more than 99% biodiesel, the tax imposed
7 by this Act does not apply to the proceeds of the selling price
8 of property transferred as an incident to the sale of service
9 on or after July 1, 2003 and on or before June 30, 2023
10 ~~December 31, 2023~~ but, except as otherwise provided in this
11 paragraph with respect to 100% biodiesel and biodiesel blends
12 with more than 19% but no more than 99% biodiesel, applies to
13 100% of the selling price thereafter. With respect to 100%
14 biodiesel, as defined in the Use Tax Act, and biodiesel
15 blends, as defined in the Use Tax Act, with more than 19% but
16 no more than 99% biodiesel, the tax imposed by this Act does
17 not apply to proceeds of sales made on or after July 1, 2023.

18 At the election of any registered serviceman made for each
19 fiscal year, sales of service in which the aggregate annual
20 cost price of tangible personal property transferred as an
21 incident to the sales of service is less than 35%, or 75% in
22 the case of servicemen transferring prescription drugs or
23 servicemen engaged in graphic arts production, of the
24 aggregate annual total gross receipts from all sales of
25 service, the tax imposed by this Act shall be based on the
26 serviceman's cost price of the tangible personal property

1 transferred as an incident to the sale of those services.

2 The tax shall be imposed at the rate of 1% on food prepared
3 for immediate consumption and transferred incident to a sale
4 of service subject to this Act or the Service Occupation Tax
5 Act by an entity licensed under the Hospital Licensing Act,
6 the Nursing Home Care Act, the Assisted Living and Shared
7 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
8 Specialized Mental Health Rehabilitation Act of 2013, or the
9 Child Care Act of 1969, or an entity that holds a permit issued
10 pursuant to the Life Care Facilities Act. The tax shall also be
11 imposed at the rate of 1% on food for human consumption that is
12 to be consumed off the premises where it is sold (other than
13 alcoholic beverages, food consisting of or infused with adult
14 use cannabis, soft drinks, and food that has been prepared for
15 immediate consumption and is not otherwise included in this
16 paragraph) and prescription and nonprescription medicines,
17 drugs, medical appliances, products classified as Class III
18 medical devices by the United States Food and Drug
19 Administration that are used for cancer treatment pursuant to
20 a prescription, as well as any accessories and components
21 related to those devices, modifications to a motor vehicle for
22 the purpose of rendering it usable by a person with a
23 disability, and insulin, blood sugar testing materials,
24 syringes, and needles used by human diabetics. For the
25 purposes of this Section, until September 1, 2009: the term
26 "soft drinks" means any complete, finished, ready-to-use,

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

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

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

1 products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine.

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

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

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

26 (B) A statement of the "active ingredient(s)" with a

1 list of those ingredients contained in the compound,
2 substance or preparation.

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

8 As used in this Section, "adult use cannabis" means
9 cannabis subject to tax under the Cannabis Cultivation
10 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
11 and does not include cannabis subject to tax under the
12 Compassionate Use of Medical Cannabis Program Act.

13 If the property that is acquired from a serviceman is
14 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
19 out-of-state use.

20 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
21 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

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

24 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

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

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

1 (ii) 80% of the selling price of property transferred as an
2 incident to the sale of service on or after July 1, 2003 and on
3 or before July 1, 2017, and (iii) 100% of the cost price
4 thereafter. If, at any time, however, the tax under this Act on
5 sales of gasohol, as defined in the Use Tax Act, is imposed at
6 the rate of 1.25%, then the tax imposed by this Act applies to
7 100% of the proceeds of sales of gasohol made during that time.

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

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

26 With respect to 100% biodiesel, as defined in the Use Tax

1 Act, and biodiesel blends, as defined in the Use Tax Act, with
2 more than 10% but no more than 99% biodiesel material, the tax
3 imposed by this Act does not apply to the proceeds of the
4 selling price of property transferred as an incident to the
5 sale of service on or after July 1, 2003 and on or before June
6 30, 2023 ~~December 31, 2023~~ but, except as otherwise provided
7 in this paragraph with respect to 100% biodiesel and biodiesel
8 blends with more than 19% but no more than 99% biodiesel,
9 applies to 100% of the selling price thereafter. With respect
10 to 100% biodiesel, as defined in the Use Tax Act, and biodiesel
11 blends, as defined in the Use Tax Act, with more than 19% but
12 no more than 99% biodiesel, the tax imposed by this Act does
13 not apply to proceeds of sales made on or after July 1, 2023.

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

24 The tax shall be imposed at the rate of 1% on food prepared
25 for immediate consumption and transferred incident to a sale
26 of service subject to this Act or the Service Occupation Tax

1 Act by an entity licensed under the Hospital Licensing Act,
2 the Nursing Home Care Act, the Assisted Living and Shared
3 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
4 Specialized Mental Health Rehabilitation Act of 2013, or the
5 Child Care Act of 1969, or an entity that holds a permit issued
6 pursuant to the Life Care Facilities Act. The tax shall also be
7 imposed at the rate of 1% on food for human consumption that is
8 to be consumed off the premises where it is sold (other than
9 alcoholic beverages, food consisting of or infused with adult
10 use cannabis, soft drinks, and food that has been prepared for
11 immediate consumption and is not otherwise included in this
12 paragraph) and prescription and nonprescription medicines,
13 drugs, medical appliances, products classified as Class III
14 medical devices by the United States Food and Drug
15 Administration that are used for cancer treatment pursuant to
16 a prescription, as well as any accessories and components
17 related to those devices, modifications to a motor vehicle for
18 the purpose of rendering it usable by a person with a
19 disability, and insulin, blood sugar testing materials,
20 syringes, and needles used by human diabetics. For the
21 purposes of this Section, until September 1, 2009: the term
22 "soft drinks" means any complete, finished, ready-to-use,
23 non-alcoholic drink, whether carbonated or not, including but
24 not limited to soda water, cola, fruit juice, vegetable juice,
25 carbonated water, and all other preparations commonly known as
26 soft drinks of whatever kind or description that are contained

1 in any closed or sealed can, carton, or container, regardless
2 of size; but "soft drinks" does not include coffee, tea,
3 non-carbonated water, infant formula, milk or milk products as
4 defined in the Grade A Pasteurized Milk and Milk Products Act,
5 or drinks containing 50% or more natural fruit or vegetable
6 juice.

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

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

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "food for human consumption that

1 is to be consumed off the premises where it is sold" does not
2 include candy. For purposes of this Section, "candy" means a
3 preparation of sugar, honey, or other natural or artificial
4 sweeteners in combination with chocolate, fruits, nuts or
5 other ingredients or flavorings in the form of bars, drops, or
6 pieces. "Candy" does not include any preparation that contains
7 flour or requires refrigeration.

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

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

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

25 Beginning on January 1, 2014 (the effective date of Public
26 Act 98-122), "prescription and nonprescription medicines and

1 drugs" includes medical cannabis purchased from a registered
2 dispensing organization under the Compassionate Use of Medical
3 Cannabis Program Act.

4 As used in this Section, "adult use cannabis" means
5 cannabis subject to tax under the Cannabis Cultivation
6 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
7 and does not include cannabis subject to tax under the
8 Compassionate Use of Medical Cannabis Program Act.

9 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
10 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

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

13 (35 ILCS 120/2-10)

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

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

1 Within 14 days after the effective date of this amendatory
2 Act of the 91st General Assembly, each retailer of motor fuel
3 and gasohol shall cause the following notice to be posted in a
4 prominently visible place on each retail dispensing device
5 that is used to dispense motor fuel or gasohol in the State of
6 Illinois: "As of July 1, 2000, the State of Illinois has
7 eliminated the State's share of sales tax on motor fuel and
8 gasohol through December 31, 2000. The price on this pump
9 should reflect the elimination of the tax." The notice shall
10 be printed in bold print on a sign that is no smaller than 4
11 inches by 8 inches. The sign shall be clearly visible to
12 customers. Any retailer who fails to post or maintain a
13 required sign through December 31, 2000 is guilty of a petty
14 offense for which the fine shall be \$500 per day per each
15 retail premises where a violation occurs.

16 With respect to gasohol, as defined in the Use Tax Act, the
17 tax imposed by this Act applies to (i) 70% of the proceeds of
18 sales made on or after January 1, 1990, and before July 1,
19 2003, (ii) 80% of the proceeds of sales made on or after July
20 1, 2003 and on or before July 1, 2017, and (iii) 100% of the
21 proceeds of sales made thereafter. If, at any time, however,
22 the tax under this Act on sales of gasohol, as defined in the
23 Use Tax Act, is imposed at the rate of 1.25%, then the tax
24 imposed by this Act applies to 100% of the proceeds of sales of
25 gasohol made during that time.

26 With respect to majority blended ethanol fuel, as defined

1 in the Use Tax Act, the tax imposed by this Act does not apply
2 to the proceeds of sales made on or after July 1, 2003 and on
3 or before December 31, 2023 but applies to 100% of the proceeds
4 of sales made thereafter.

5 With respect to biodiesel blends, as defined in the Use
6 Tax Act, with no less than 1% and no more than 10% biodiesel,
7 the tax imposed by this Act applies to (i) 80% of the proceeds
8 of sales made on or after July 1, 2003 and on or before
9 December 31, 2018 and (ii) 100% of the proceeds of sales made
10 thereafter. If, at any time, however, the tax under this Act on
11 sales of biodiesel blends, as defined in the Use Tax Act, with
12 no less than 1% and no more than 10% biodiesel is imposed at
13 the rate of 1.25%, then the tax imposed by this Act applies to
14 100% of the proceeds of sales of biodiesel blends with no less
15 than 1% and no more than 10% biodiesel made during that time.

16 With respect to 100% biodiesel, as defined in the Use Tax
17 Act, and biodiesel blends, as defined in the Use Tax Act, with
18 more than 10% but no more than 99% biodiesel, the tax imposed
19 by this Act does not apply to the proceeds of sales made on or
20 after July 1, 2003 and on or before June 30, 2023 ~~December 31,~~
21 ~~2023~~ but, except as otherwise provided in this paragraph with
22 respect to 100% biodiesel and biodiesel blends with more than
23 19% but no more than 99% biodiesel, applies to 100% of the
24 proceeds of sales made thereafter. With respect to 100%
25 biodiesel, as defined in the Use Tax Act, and biodiesel
26 blends, as defined in the Use Tax Act, with more than 19% but

1 no more than 99% biodiesel, the tax imposed by this Act does
2 not apply to proceeds of sales made on or after July 1, 2023.

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

1 containing 50% or more natural fruit or vegetable juice.

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

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

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

1 pieces. "Candy" does not include any preparation that contains
2 flour or requires refrigeration.

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

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

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

20 Beginning on the effective date of this amendatory Act of
21 the 98th General Assembly, "prescription and nonprescription
22 medicines and drugs" includes medical cannabis purchased from
23 a registered dispensing organization under the Compassionate
24 Use of Medical Cannabis Program Act.

25 As used in this Section, "adult use cannabis" means
26 cannabis subject to tax under the Cannabis Cultivation

1 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
2 and does not include cannabis subject to tax under the
3 Compassionate Use of Medical Cannabis Program Act.

4 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
5 102-4, eff. 4-27-21.)

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