

AN ACT concerning revenue.

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

Section 3. The Retailers' Occupation Tax Act is amended by changing Section 2d as follows:

(35 ILCS 120/2d) (from Ch. 120, par. 441d)

Sec. 2d. Tax prepayment by motor fuel retailer.

(a) Any person engaged in the business of selling motor fuel at retail, as defined in the Motor Fuel Tax Law, and who is not a licensed distributor or supplier, as defined in the Motor Fuel Tax Law, shall prepay to his or her distributor, supplier, or other reseller of motor fuel a portion of the tax imposed by this Act if the distributor, supplier, or other reseller of motor fuel is registered under Section 2a or Section 2c of this Act. The prepayment requirement provided for in this Section does not apply to liquid propane gas.

(b) Beginning on July 1, 2000 and through December 31, 2000, the Retailers' Occupation Tax paid to the distributor, supplier, or other reseller shall be an amount equal to \$0.01 per gallon of the motor fuel, except gasohol as defined in Section 2-10 of this Act which shall be an amount equal to \$0.01 per gallon, purchased from the distributor, supplier, or other reseller.

(c) Before July 1, 2000 and then beginning on January 1, 2001 and through June 30, 2003, the Retailers' Occupation Tax paid to the distributor, supplier, or other reseller shall be an amount equal to \$0.04 per gallon of the motor fuel, except gasohol as defined in Section 2-10 of this Act which shall be an amount equal to \$0.03 per gallon, purchased from the distributor, supplier, or other reseller.

(d) Beginning July 1, 2003 and through December 31, 2010 ~~thereafter~~, the Retailers' Occupation Tax paid to the distributor, supplier, or other reseller shall be an amount equal to \$0.06 per gallon of the motor fuel, except gasohol as defined in Section 2-10 of this Act which shall be an amount equal to \$0.05 per gallon, purchased from the distributor, supplier, or other reseller.

(e) Beginning on January 1, 2011 and thereafter, the Retailers' Occupation Tax paid to the distributor, supplier, or other reseller shall be at the rate established by the Department under this subsection. The rate shall be established by the Department on January 1 and July 1 of each year using the average selling price, as defined in Section 1 of this Act, per gallon of motor fuel sold in the State during the previous 6 months and multiplying that amount by 6.25% to determine the cents per gallon rate. In the case of biodiesel blends, as defined in Section 3-42 of the Use Tax Act, with no less than 1% and no more than 10% biodiesel, and in the case of gasohol, as defined in Section 3-40 of the Use Tax Act, the rate shall

be 80% of the rate established by the Department under this subsection for motor fuel. The Department shall provide persons subject to this Section notice of the rate established under this subsection at least 20 days prior to each January 1 and July 1. Publication of the established rate on the Department's internet website shall constitute sufficient notice under this Section. The Department may use data derived from independent surveys conducted or accumulated by third parties to determine the average selling price per gallon of motor fuel sold in the State.

(f) Any person engaged in the business of selling motor fuel at retail shall be entitled to a credit against tax due under this Act in an amount equal to the tax paid to the distributor, supplier, or other reseller.

(g) Every distributor, supplier, or other reseller registered as provided in Section 2a or Section 2c of this Act shall remit the prepaid tax on all motor fuel that is due from any person engaged in the business of selling at retail motor fuel with the returns filed under Section 2f or Section 3 of this Act, but the vendors discount provided in Section 3 shall not apply to the amount of prepaid tax that is remitted. Any distributor or supplier who fails to properly collect and remit the tax shall be liable for the tax. For purposes of this Section, the prepaid tax is due on invoiced gallons sold during a month by the 20th day of the following month.

(Source: P.A. 93-32, eff. 6-20-03.)

Section 5. The Motor Fuel Tax Law is amended by changing Sections 1.2, 1.14, 1.22, 2, 3, 3a, 5, 5a, 6, 6a, 8, 13, 13a.4, 13a.5, and 15 and by adding Section 17a as follows:

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

Sec. 1.2. Distributor. "Distributor" means a person who either (i) produces, refines, blends, compounds or manufactures motor fuel in this State, or (ii) transports motor fuel into this State, or (iii) exports motor fuel out of this State, or (iv) engages in the distribution of motor fuel primarily by tank car or tank truck, or both, and who operates an Illinois bulk plant where he or she has active bulk storage capacity of not less than 30,000 gallons for gasoline as defined in item (A) of Section 5 of this Law.

"Distributor" does not, however, include a person who receives or transports into this State and sells or uses motor fuel under such circumstances as preclude the collection of the tax herein imposed, by reason of the provisions of the constitution and statutes of the United States. However, a person operating a motor vehicle into the State, may transport motor fuel in the ordinary fuel tank attached to the motor vehicle for the operation of the motor vehicle, without being considered a distributor. Any railroad ~~licensed as a bulk user~~ ~~and~~ registered under Section 18c-7201 of the Illinois Vehicle Code may deliver special fuel directly into the fuel supply

tank of a locomotive owned, operated, or controlled by any other railroad registered under Section 18c-7201 of the Illinois Vehicle Code without being considered a distributor or supplier.

(Source: P.A. 91-173, eff. 1-1-00; 91-198, eff. 7-20-99; 92-16, eff. 6-28-01.)

(35 ILCS 505/1.14) (from Ch. 120, par. 417.14)

Sec. 1.14. Supplier. "Supplier" means any person other than a licensed distributor who (i) transports special fuel into this State; ~~or~~ (ii) exports special fuel out of this State; or (iii) engages in the distribution of special fuel primarily by tank car or tank truck, or both, and who operates an Illinois bulk plant where he has active bulk storage capacity of not less than 30,000 gallons for special fuel as defined in Section 1.13 of this Law.

"Supplier" does not, however, include a person who receives or transports into this State and sells or uses special fuel under such circumstances as preclude the collection of the tax herein imposed, by reason of the provisions of the Constitution and laws of the United States. However, a person operating a motor vehicle into the State, may transport special fuel in the ordinary fuel tank attached to the motor vehicle for the operation of the motor vehicle without being considered a supplier. Any railroad licensed as a bulk user and registered under Section 18c-7201 of the Illinois Vehicle Code may deliver

special fuel directly into the fuel supply tank of a locomotive owned, operated, or controlled by any other railroad registered under Section 18c-7201 of the Illinois Vehicle Code without being considered a supplier.

(Source: P.A. 91-173, eff. 1-1-00; 91-198, eff. 7-20-99; 92-16, eff. 6-28-01.)

(35 ILCS 505/1.22)

Sec. 1.22. "Jurisdiction" means a state of the United States, the District of Columbia, a state of the United Mexican States, or a province or Territory of Canada.

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

(35 ILCS 505/2) (from Ch. 120, par. 418)

Sec. 2. A tax is imposed on the privilege of operating motor vehicles upon the public highways and recreational-type watercraft upon the waters of this State.

(a) Prior to August 1, 1989, the tax is imposed at the rate of 13 cents per gallon on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State. Beginning on August 1, 1989 and until January 1, 1990, the rate of the tax imposed in this paragraph shall be 16 cents per gallon. Beginning January 1, 1990, the rate of tax imposed in this paragraph shall be 19 cents per gallon.

(b) The tax on the privilege of operating motor vehicles

which use diesel fuel shall be the rate according to paragraph (a) plus an additional 2 1/2 cents per gallon. "Diesel fuel" is defined as any product intended for use or offered for sale as a fuel for engines in which the fuel is injected into the combustion chamber and ignited by pressure without electric spark.

(c) A tax is imposed upon the privilege of engaging in the business of selling motor fuel as a retailer or reseller on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State: (1) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 A.M. on January 1, 1990.

Retailers and resellers who are subject to this additional tax shall be required to inventory such motor fuel and pay this additional tax in a manner prescribed by the Department of Revenue.

The tax imposed in this paragraph (c) shall be in addition to all other taxes imposed by the State of Illinois or any unit of local government in this State.

(d) Except as provided in Section 2a, the collection of a tax based on gallonage of gasoline used for the propulsion of any aircraft is prohibited on and after October 1, 1979.

(e) The collection of a tax, based on gallonage of all

products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited (i) on and after July 1, 1992 until December 31, 1999, except when the 1-K kerosene is either: (1) delivered into bulk storage facilities of a bulk user, or (2) delivered directly into the fuel supply tanks of motor vehicles and (ii) on and after January 1, 2000. Beginning on January 1, 2000, the collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited except when the 1-K kerosene is delivered directly into a storage tank that is located at a facility that has withdrawal facilities that are readily accessible to and are capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles. For purposes of this subsection (e), a facility is considered to have withdrawal facilities that are not "readily accessible to and capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles" only if the 1-K kerosene is delivered from: (i) a dispenser hose that is short enough so that it will not reach the fuel supply tank of a motor vehicle or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling.

Any person who sells or uses 1-K kerosene for use in motor vehicles upon which the tax imposed by this Law has not been paid shall be liable for any tax due on the sales or use of 1-K



kerosene.

(Source: P.A. 93-17, eff. 6-11-03.)

(35 ILCS 505/3) (from Ch. 120, par. 419)

Sec. 3. No person shall act as a distributor of motor fuel within this State without first securing a license to act as a distributor of motor fuel from the Department. Application for such license shall be made to the Department upon blanks furnished by it. The application shall be signed and verified, and shall contain such information as the Department deems necessary. A blender shall, in addition to securing a distributor's license, make application to the Department for a blender's permit, setting forth in the application such information as the Department deems necessary. The applicant for a distributor's license shall also file with the Department a bond on a form to be approved by and with a surety or sureties satisfactory to the Department conditioned upon such applicant paying to the State of Illinois all monies becoming due by reason of the sale, export, or use of motor fuel by the applicant, together with all penalties and interest thereon. The Department shall fix the penalty of such bond in each case taking into consideration the amount of motor fuel expected to be sold, distributed, exported, and used by such applicant and the penalty fixed by the Department shall be such, as in its opinion, will protect the State of Illinois against failure to pay the amount hereinafter provided on motor fuel sold,

distributed, exported, and used, but the amount of the penalty fixed by the Department shall not exceed twice the monthly amount that would be collectable as a tax in the event of a sale on all the motor fuel sold, distributed, exported, and used by the distributor inclusive of tax-free sales, exports, use, or distribution. Upon receipt of the application and bond in proper form, the Department shall issue to the applicant a license to act as a distributor. No person who is in default to the State for monies due under this Act for the sale, distribution, export, or use of motor fuel shall receive a license to act as a distributor.

A license shall not be granted to any person whose principal place of business is in a state other than Illinois, unless such person is licensed for motor fuel distribution or export in the state in which the principal place of business is located and that such person is not in default to that State for any monies due for the sale, distribution, export, or use of motor fuel.

(Source: P.A. 90-491, eff. 1-1-98; 91-173, eff. 1-1-00.)

(35 ILCS 505/3a) (from Ch. 120, par. 419a)

Sec. 3a. No person, other than a licensed distributor, shall act as a supplier of special fuel within this State without first securing a license to act as a supplier of special fuel from the Department.

Application for such license shall be made to the

Department upon blanks furnished by it. The application shall be signed and verified and shall contain such information as the Department deems necessary.

The applicant for a supplier's license shall also file, with the Department, a bond on a form to be approved by and with a surety or sureties satisfactory to the Department, conditioned upon such applicant paying to the State of Illinois all moneys becoming due by reason of the sale or use of special fuel by the applicant, together with all penalties and interest thereon. The Department shall fix the penalty of such bond in each case, taking into consideration the amount of special fuel expected to be sold, distributed, exported, and used by such applicant, and the penalty fixed by the Department shall be such, as in its opinion, will protect the State of Illinois against failure to pay the amount hereinafter provided on special fuel sold, distributed, exported, and used, but the amount of the penalty fixed by the Department shall not exceed twice the monthly amount of tax liability that would be collectable as a tax in the event of a taxable sale on all the special fuel sold, distributed, exported, and used by the supplier inclusive of tax-free sales, use, exports, or distribution.

Upon receipt of the application and bond in proper form, the Department shall issue to the applicant a license to act as a supplier. No person who is in default to the State for moneys due under this Act for the sale, distribution, export, or use

of motor fuel shall receive a license to act as a supplier.

A license shall not be granted to any person whose principal place of business is in a state other than Illinois, unless such person is licensed for motor fuel distribution or export in the State in which the principal place of business is located and that other State requires such license and that such person is not in default to that State for any monies due for the sale, distribution, export, or use of motor fuel.

(Source: P.A. 90-491, eff. 1-1-98; 91-173, eff. 1-1-00.)

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

Sec. 5. Except as hereinafter provided, a person holding a valid unrevoked license to act as a distributor of motor fuel shall, between the 1st and 20th days of each calendar month, make return to the Department, showing an itemized statement of the number of invoiced gallons of motor fuel of the types specified in this Section which were purchased, acquired, ~~or~~ received, or exported during the preceding calendar month; the amount of such motor fuel produced, refined, compounded, manufactured, blended, sold, distributed, exported, and used by the licensed distributor during the preceding calendar month; the amount of such motor fuel lost or destroyed during the preceding calendar month; the amount of such motor fuel on hand at the close of business for such month; and such other reasonable information as the Department may require. If a distributor's only activities with respect to motor fuel are

either: (1) production of alcohol in quantities of less than 10,000 proof gallons per year or (2) blending alcohol in quantities of less than 10,000 proof gallons per year which such distributor has produced, he shall file returns on an annual basis with the return for a given year being due by January 20 of the following year. Distributors whose total production of alcohol (whether blended or not) exceeds 10,000 proof gallons per year, based on production during the preceding (calendar) year or as reasonably projected by the Department if one calendar year's record of production cannot be established, shall file returns between the 1st and 20th days of each calendar month as hereinabove provided.

The types of motor fuel referred to in the preceding paragraph are: (A) All products commonly or commercially known or sold as gasoline (including casing-head and absorption or natural gasoline), gasohol, motor benzol or motor benzene regardless of their classification or uses; and (B) all combustible gases which exist in a gaseous state at 60 degrees Fahrenheit and at 14.7 pounds per square inch absolute including, but not limited to, liquefied petroleum gases used for highway purposes; and (C) special fuel. Only those quantities of combustible gases (example (B) above) which are used or sold by the distributor to be used to propel motor vehicles on the public highways, or which are delivered into a storage tank that is located at a facility that has withdrawal facilities which are readily accessible to and are capable of

dispensing combustible gases into the fuel supply tanks of motor vehicles, shall be subject to return. For purposes of this Section, a facility is considered to have withdrawal facilities that are not "readily accessible to and capable of dispensing combustible gases into the fuel supply tanks of motor vehicles" only if the combustible gases are delivered from: (i) a dispenser hose that is short enough so that it will not reach the fuel supply tank of a motor vehicle or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling. For the purposes of this Act, liquefied petroleum gases shall mean and include any material having a vapor pressure not exceeding that allowed for commercial propane composed predominantly of the following hydrocarbons, either by themselves or as mixtures: Propane, Propylene, Butane (normal butane or iso-butane) and Butylene (including isomers).

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

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

In case of a tax-free sale, as provided in Section 6, of

motor fuel which the distributor is required by this Section to include in his return to the Department, the distributor in his return shall show: (1) If the sale is made to another licensed distributor the amount sold and the name, address and license number of the purchasing distributor; (2) if the sale is made to a person where delivery is made outside of this State the name and address of such purchaser and the point of delivery together with the date and amount delivered; (3) if the sale is made to the Federal Government or its instrumentalities the amount sold; (4) if the sale is made to a municipal corporation owning and operating a local transportation system for public service in this State the name and address of such purchaser, and the amount sold, as evidenced by official forms of exemption certificates properly executed and furnished by such purchaser; (5) if the sale is made to a privately owned public utility owning and operating 2-axle vehicles designed and used for transporting more than 7 passengers, which vehicles are used as common carriers in general transportation of passengers, are not devoted to any specialized purpose and are operated entirely within the territorial limits of a single municipality or of any group of contiguous municipalities or in a close radius thereof, and the operations of which are subject to the regulations of the Illinois Commerce Commission, then the name and address of such purchaser and the amount sold as evidenced by official forms of exemption certificates properly executed and furnished by the purchaser; (6) if the product

sold is special fuel and if the sale is made to a licensed supplier under conditions which qualify the sale for tax exemption under Section 6 of this Act, the amount sold and the name, address and license number of the purchaser; and (7) if a sale of special fuel is made to someone other than a licensed distributor, or a licensed supplier, for a use other than in motor vehicles, by making a specific notation thereof on the invoice or sales slip covering such sales and obtaining such supporting documentation as may be required by the Department.

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

A person whose license to act as a distributor of motor fuel has been revoked shall make a return to the Department covering the period from the date of the last return to the date of the revocation of the license, which return shall be delivered to the Department not later than 10 days from the date of the revocation or termination of the license of such distributor; the return shall in all other respects be subject to the same provisions and conditions as returns by distributors licensed under the provisions of this Act.

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

If the Department has reason to believe and does believe



that the amount shown on the return as purchased, acquired, received, exported, sold, used, lost or destroyed is incorrect, or that an amount of motor fuel of the types required by the second paragraph of this Section to be reported to the Department has not been correctly reported the Department shall fix an amount for such receipt, sales, export, use, loss or destruction according to its best judgment and information, which amount so fixed by the Department shall be prima facie correct. All returns shall be made on forms prepared and furnished by the Department, and shall contain such other information as the Department may reasonably require. The return must be accompanied by appropriate computer-generated magnetic media supporting schedule data in the format required by the Department, unless, as provided by rule, the Department grants an exception upon petition of a taxpayer. All licensed distributors shall report all losses of motor fuel sustained on account of fire, theft, spillage, spoilage, leakage, or any other provable cause when filing the return for the period during which the loss occurred. If the distributor reports losses due to fire or theft, then the distributor must include fire department or police department reports and any other documentation that the Department may require. The mere making of the report does not assure the allowance of the loss as a reduction in tax liability. Losses of motor fuel as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning

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

(Source: P.A. 91-173, eff. 1-1-00; 92-30, eff. 7-1-01.)

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

Sec. 5a. A person holding a valid unrevoked license to act as a supplier of special fuel shall, between the 1st and 20th days of each calendar month, make return to the Department showing an itemized statement of the number of invoiced gallons of special fuel acquired, received, purchased, sold, exported, or used during the preceding calendar month; the amount of special fuel sold, distributed, exported, and used by the licensed supplier during the preceding calendar month; the amount of special fuel lost or destroyed during the preceding calendar month; the amount of special fuel on hand at the close of business for the preceding calendar month; and such other reasonable information as the Department may require.

A person whose license to act as a supplier of special fuel has been revoked shall make a return to the Department covering the period from the date of the last return to the date of the revocation of the license, which return shall be delivered to the Department not later than 10 days from the date of the revocation or termination of the license of such supplier. The return shall in all other respects be subject to the same provisions and conditions as returns by suppliers licensed under this Act.

The records, waybills and supporting documents kept by railroads and other common carriers in the regular course of business shall be prima facie evidence of the contents and

receipt of cars or tanks covered by those records, waybills or supporting documents.

If the Department has reason to believe and does believe that the amount shown on the return as purchased, acquired, received, sold, exported, used, or lost is incorrect, or that an amount of special fuel of the type required by the 1st paragraph of this Section to be reported to the Department by suppliers has not been correctly reported as a purchase, receipt, sale, use, export, or loss the Department shall fix an amount for such purchase, receipt, sale, use, export, or loss according to its best judgment and information, which amount so fixed by the Department shall be prima facie correct. All licensed suppliers shall report all losses of special fuel sustained on account of fire, theft, spillage, spoilage, leakage, or any other provable cause when filing the return for the period during which the loss occurred. If the supplier reports losses due to fire or theft, then the supplier must include fire department or police department reports and any other documentation that the Department may require. The mere making of the report does not assure the allowance of the loss as a reduction in tax liability. Losses of special fuel as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of the month, plus the receipts of gallonage during the month, minus the gallonage remaining in storage at the end of the month.

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

In case of a sale of special fuel to someone other than a licensed distributor or licensed supplier for a use other than in motor vehicles, the supplier shall show in his return the

amount of invoiced gallons sold and the name and address of the purchaser in addition to any other information the Department may require.

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

All returns shall be made on forms prepared and furnished by the Department and shall contain such other information as the Department may reasonably require. The return must be accompanied by appropriate computer-generated magnetic media supporting schedule data in the format required by the Department, unless, as provided by rule, the Department grants an exception upon petition of a taxpayer.

In case of a tax-free sale, as provided in Section 6a, of special fuel which the supplier is required by this Section to include in his return to the Department, the supplier in his return shall show: (1) If the sale of special fuel is made to the Federal Government or its instrumentalities; (2) if the sale of special fuel is made to a municipal corporation owning and operating a local transportation system for public service in this State, the name and address of such purchaser and the amount sold, as evidenced by official forms of exemption certificates properly executed and furnished by such purchaser; (3) if the sale of special fuel is made to a privately owned public utility owning and operating 2-axle vehicles designed and used for transporting more than 7 passengers, which vehicles are used as common carriers in

general transportation of passengers, are not devoted to any specialized purpose and are operated entirely within the territorial limits of a single municipality or of any group of contiguous municipalities or in a close radius thereof, and the operations of which are subject to the regulations of the Illinois Commerce Commission, then the name and address of such purchaser and the amount sold, as evidenced by official forms of exemption certificates properly executed and furnished by such purchaser; (4) if the product sold is special fuel and if the sale is made to a licensed supplier or to a licensed distributor under conditions which qualify the sale for tax exemption under Section 6a of this Act, the amount sold and the name, address and license number of such purchaser; (5) if a sale of special fuel is made to a person where delivery is made outside of this State, the name and address of such purchaser and the point of delivery together with the date and amount of invoiced gallons delivered; and (6) if a sale of special fuel is made to someone other than a licensed distributor or a licensed supplier, for a use other than in motor vehicles, by making a specific notation thereof on the invoice or sales slip covering that sale and obtaining such supporting documentation as may be required by the Department.

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

(Source: P.A. 91-173, eff. 1-1-00; 92-30, eff. 7-1-01.)

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

Sec. 6. Collection of tax; distributors. A distributor who sells or distributes any motor fuel, which he is required by Section 5 to report to the Department when filing a return, shall (except as hereinafter provided) collect at the time of such sale and distribution, the amount of tax imposed under this Act on all such motor fuel sold and distributed, and at the time of making a return, the distributor shall pay to the Department the amount so collected less a discount of 2% through June 30, 2003 and 1.75% thereafter which is allowed to reimburse the distributor for the expenses incurred in keeping records, preparing and filing returns, collecting and remitting the tax and supplying data to the Department on request, and shall also pay to the Department an amount equal to the amount that would be collectible as a tax in the event of a sale thereof on all such motor fuel used by said distributor during the period covered by the return. However, no payment shall be made based upon dyed diesel fuel used by the distributor for non-highway purposes. The discount shall only be applicable to the amount of tax payment which accompanies a return which is filed timely in accordance with Section 5 of this Act. In each subsequent sale of motor fuel on which the amount of tax imposed under this Act has been collected as provided in this Section, the amount so collected shall be added to the selling price, so that the amount of tax is paid ultimately by the user of the motor fuel. However, no



collection or payment shall be made in the case of the sale or use of any motor fuel to the extent to which such sale or use of motor fuel may not, under the constitution and statutes of the United States, be made the subject of taxation by this State. A person whose license to act as a distributor of fuel has been revoked shall, at the time of making a return, also pay to the Department an amount equal to the amount that would be collectible as a tax in the event of a sale thereof on all motor fuel, which he is required by the second paragraph of Section 5 to report to the Department in making a return, and which he had on hand on the date on which the license was revoked, and with respect to which no tax had been previously paid under this Act.

A distributor may make tax free sales of motor fuel, with respect to which he is otherwise required to collect the tax, ~~when the motor fuel is delivered from a dispensing facility that has withdrawal facilities capable of dispensing motor fuel into the fuel supply tanks of motor vehicles only as specified in the following items 3, 4, and 5. A distributor may make tax free sales of motor fuel, with respect to which he is otherwise required to collect the tax, when the motor fuel is delivered from other facilities~~ only as specified in the following items 1 through 7.

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

sale.

2. When the sale is made with delivery to a purchaser outside of this State.

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

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

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

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

7. When a sale of dyed diesel ~~special~~ fuel is made to someone other than a licensed distributor or a licensed

supplier for non-highway purposes and the fuel is (i) delivered from a vehicle designed for the specific purpose of such sales and delivered directly into a stationary bulk storage tank that displays the notice required by Section 4f of this Act, (ii) delivered from a vehicle designed for the specific purpose of such sales and delivered directly into the fuel supply tanks of non-highway vehicles that are not required to be registered for highway use, or (iii) dispensed from a dyed diesel fuel dispensing facility that has withdrawal facilities that are not readily accessible to and are not capable of dispensing dyed diesel fuel into the fuel supply tank of a motor vehicle. ~~for a use other than in motor vehicles, by making a~~

A specific notation is required ~~thereof~~ on the invoice or sales slip covering such sales, ~~sale~~ and any obtaining such supporting documentation that as may be required by the Department must be obtained by the distributor. The distributor shall obtain and keep the supporting documentation in such form as the Department may require by rule.

For purposes of this item 7, a dyed diesel fuel dispensing facility is considered to have withdrawal facilities that are "not readily accessible to and not capable of dispensing dyed diesel fuel into the fuel supply tank of a motor vehicle" only if the dyed diesel fuel is delivered from: (i) a dispenser hose that is short enough

so that it will not reach the fuel supply tank of a motor vehicle or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling.

8. (Blank).

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

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

(Source: P.A. 93-32, eff. 6-20-03.)

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

Sec. 6a. Collection of tax; suppliers. A supplier, other than a licensed distributor, who sells or distributes any special fuel, which he is required by Section 5a to report to the Department when filing a return, shall (except as hereinafter provided) collect at the time of such sale and distribution, the amount of tax imposed under this Act on all such special fuel sold and distributed, and at the time of making a return, the supplier shall pay to the Department the amount so collected less a discount of 2% through June 30, 2003 and 1.75% thereafter which is allowed to reimburse the supplier for the expenses incurred in keeping records, preparing and filing returns, collecting and remitting the tax and supplying

data to the Department on request, and shall also pay to the Department an amount equal to the amount that would be collectible as a tax in the event of a sale thereof on all such special fuel used by said supplier during the period covered by the return. However, no payment shall be made based upon dyed diesel fuel used by said supplier for non-highway purposes. The discount shall only be applicable to the amount of tax payment which accompanies a return which is filed timely in accordance with Section 5(a) of this Act. In each subsequent sale of special fuel on which the amount of tax imposed under this Act has been collected as provided in this Section, the amount so collected shall be added to the selling price, so that the amount of tax is paid ultimately by the user of the special fuel. However, no collection or payment shall be made in the case of the sale or use of any special fuel to the extent to which such sale or use of motor fuel may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.

A person whose license to act as supplier of special fuel has been revoked shall, at the time of making a return, also pay to the Department an amount equal to the amount that would be collectible as a tax in the event of a sale thereof on all special fuel, which he is required by the 1st paragraph of Section 5a to report to the Department in making a return.

A supplier may make tax-free sales of special fuel, with respect to which he is otherwise required to collect the tax,

~~when the motor fuel is delivered from a dispensing facility that has withdrawal facilities capable of dispensing special fuel into the fuel supply tanks of motor vehicles only as specified in the following items 1, 2, and 3. A supplier may make tax free sales of special fuel, with respect to which he is otherwise required to collect the tax, when the special fuel is delivered from other facilities~~ only as specified in the following items 1 through 7.

1. When the sale is made to the federal government or its instrumentalities.

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

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

4. When a sale ~~of special fuel~~ is made to a person

holding a valid unrevoked license as a supplier or a distributor by making a specific notation thereof on invoice or sales slip covering each such sale.

5. When a sale of dyed diesel ~~special~~ fuel is made to someone other than a licensed distributor or licensed supplier for non-highway purposes and the fuel is (i) delivered from a vehicle designed for the specific purpose of such sales and delivered directly into a stationary bulk storage tank that displays the notice required by Section 4f of this Act, (ii) delivered from a vehicle designed for the specific purpose of such sales and delivered directly into the fuel supply tanks of non-highway vehicles that are not required to be registered for highway use, or (iii) dispensed from a dyed diesel fuel dispensing facility that has withdrawal facilities that are not readily accessible to and are not capable of dispensing dyed diesel fuel into the fuel supply tank of a motor vehicle. ~~a use other than in motor vehicles, by making a~~

A specific notation is required ~~thereof~~ on the invoice or sales slip covering such sales, sale and any ~~obtaining such~~ supporting documentation that as may be required by the Department must be obtained by the supplier. The supplier shall obtain and keep the supporting documentation in such form as the Department may require by rule.

For purposes of this item 5, a dyed diesel fuel

dispensing facility is considered to have withdrawal facilities that are "not readily accessible to and not capable of dispensing dyed diesel fuel into the fuel supply tank of a motor vehicle" only if the dyed diesel fuel is delivered from: (i) a dispenser hose that is short enough so that it will not reach the fuel supply tank of a motor vehicle or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling.

6. (Blank).

7. When a sale of special fuel is made to a person where delivery is made outside of this State.

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

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

(Source: P.A. 92-30, eff. 7-1-01; 93-32, eff. 6-20-03.)

(35 ILCS 505/8) (from Ch. 120, par. 424)

Sec. 8. Except as provided in Section 8a, subdivision (h) (1) of Section 12a, Section 13a.6, and items 13, 14, 15, and 16 of Section 15, all money received by the Department under this Act, including payments made to the Department by member jurisdictions participating in the International Fuel Tax



Agreement, shall be deposited in a special fund in the State treasury, to be known as the "Motor Fuel Tax Fund", and shall be used as follows:

(a) 2 1/2 cents per gallon of the tax collected on special fuel under paragraph (b) of Section 2 and Section 13a of this Act shall be transferred to the State Construction Account Fund in the State Treasury;

(b) \$420,000 shall be transferred each month to the State Boating Act Fund to be used by the Department of Natural Resources for the purposes specified in Article X of the Boat Registration and Safety Act;

(c) \$3,500,000 shall be transferred each month to the Grade Crossing Protection Fund to be used as follows: not less than \$12,000,000 each fiscal year shall be used for the construction or reconstruction of rail highway grade separation structures; \$2,250,000 in fiscal years 2004 through 2009 and \$3,000,000 in fiscal year 2010 and each fiscal year thereafter shall be transferred to the Transportation Regulatory Fund and shall be accounted for as part of the rail carrier portion of such funds and shall be used to pay the cost of administration of the Illinois Commerce Commission's railroad safety program in connection with its duties under subsection (3) of Section 18c-7401 of the Illinois Vehicle Code, with the remainder to be used by the Department of Transportation upon order of the Illinois Commerce Commission, to pay that part of the cost apportioned by such Commission to the State to cover the

interest of the public in the use of highways, roads, streets, or pedestrian walkways in the county highway system, township and district road system, or municipal street system as defined in the Illinois Highway Code, as the same may from time to time be amended, for separation of grades, for installation, construction or reconstruction of crossing protection or reconstruction, alteration, relocation including construction or improvement of any existing highway necessary for access to property or improvement of any grade crossing and grade crossing surface including the necessary highway approaches thereto of any railroad across the highway or public road, or for the installation, construction, reconstruction, or maintenance of a pedestrian walkway over or under a railroad right-of-way, as provided for in and in accordance with Section 18c-7401 of the Illinois Vehicle Code. The Commission may order up to \$2,000,000 per year in Grade Crossing Protection Fund moneys for the improvement of grade crossing surfaces and up to \$300,000 per year for the maintenance and renewal of 4-quadrant gate vehicle detection systems located at non-high speed rail grade crossings. The Commission shall not order more than \$2,000,000 per year in Grade Crossing Protection Fund moneys for pedestrian walkways. In entering orders for projects for which payments from the Grade Crossing Protection Fund will be made, the Commission shall account for expenditures authorized by the orders on a cash rather than an accrual basis. For purposes of this requirement an "accrual basis" assumes that

the total cost of the project is expended in the fiscal year in which the order is entered, while a "cash basis" allocates the cost of the project among fiscal years as expenditures are actually made. To meet the requirements of this subsection, the Illinois Commerce Commission shall develop annual and 5-year project plans of rail crossing capital improvements that will be paid for with moneys from the Grade Crossing Protection Fund. The annual project plan shall identify projects for the succeeding fiscal year and the 5-year project plan shall identify projects for the 5 directly succeeding fiscal years. The Commission shall submit the annual and 5-year project plans for this Fund to the Governor, the President of the Senate, the Senate Minority Leader, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives on the first Wednesday in April of each year;

(d) of the amount remaining after allocations provided for in subsections (a), (b) and (c), a sufficient amount shall be reserved to pay all of the following:

(1) the costs of the Department of Revenue in administering this Act;

(2) the costs of the Department of Transportation in performing its duties imposed by the Illinois Highway Code for supervising the use of motor fuel tax funds apportioned to municipalities, counties and road districts;

(3) refunds provided for in Section 13 of this Act, refunds for overpayment of decal fees paid under Section

13a.4 of this Act, and refunds provided for under the terms of the International Fuel Tax Agreement referenced in Section 14a;

(4) from October 1, 1985 until June 30, 1994, the administration of the Vehicle Emissions Inspection Law, which amount shall be certified monthly by the Environmental Protection Agency to the State Comptroller and shall promptly be transferred by the State Comptroller and Treasurer from the Motor Fuel Tax Fund to the Vehicle Inspection Fund, and for the period July 1, 1994 through June 30, 2000, one-twelfth of \$25,000,000 each month, for the period July 1, 2000 through June 30, 2003, one-twelfth of \$30,000,000 each month, and \$15,000,000 on July 1, 2003, and \$15,000,000 on January 1, 2004, and \$15,000,000 on each July 1 and October 1, or as soon thereafter as may be practical, during the period July 1, 2004 through June 30, 2010, for the administration of the Vehicle Emissions Inspection Law of 2005, to be transferred by the State Comptroller and Treasurer from the Motor Fuel Tax Fund into the Vehicle Inspection Fund;

(5) amounts ordered paid by the Court of Claims; and

(6) payment of motor fuel use taxes due to member jurisdictions under the terms of the International Fuel Tax Agreement. The Department shall certify these amounts to the Comptroller by the 15th day of each month; the Comptroller shall cause orders to be drawn for such

amounts, and the Treasurer shall administer those amounts on or before the last day of each month;

(e) after allocations for the purposes set forth in subsections (a), (b), (c) and (d), the remaining amount shall be apportioned as follows:

(1) Until January 1, 2000, 58.4%, and beginning January 1, 2000, 45.6% shall be deposited as follows:

(A) 37% into the State Construction Account Fund, and

(B) 63% into the Road Fund, \$1,250,000 of which shall be reserved each month for the Department of Transportation to be used in accordance with the provisions of Sections 6-901 through 6-906 of the Illinois Highway Code;

(2) Until January 1, 2000, 41.6%, and beginning January 1, 2000, 54.4% shall be transferred to the Department of Transportation to be distributed as follows:

(A) 49.10% to the municipalities of the State,

(B) 16.74% to the counties of the State having 1,000,000 or more inhabitants,

(C) 18.27% to the counties of the State having less than 1,000,000 inhabitants,

(D) 15.89% to the road districts of the State.

As soon as may be after the first day of each month the Department of Transportation shall allot to each municipality its share of the amount apportioned to the several

municipalities which shall be in proportion to the population of such municipalities as determined by the last preceding municipal census if conducted by the Federal Government or Federal census. If territory is annexed to any municipality subsequent to the time of the last preceding census the corporate authorities of such municipality may cause a census to be taken of such annexed territory and the population so ascertained for such territory shall be added to the population of the municipality as determined by the last preceding census for the purpose of determining the allotment for that municipality. If the population of any municipality was not determined by the last Federal census preceding any apportionment, the apportionment to such municipality shall be in accordance with any census taken by such municipality. Any municipal census used in accordance with this Section shall be certified to the Department of Transportation by the clerk of such municipality, and the accuracy thereof shall be subject to approval of the Department which may make such corrections as it ascertains to be necessary.

As soon as may be after the first day of each month the Department of Transportation shall allot to each county its share of the amount apportioned to the several counties of the State as herein provided. Each allotment to the several counties having less than 1,000,000 inhabitants shall be in proportion to the amount of motor vehicle license fees received from the residents of such counties, respectively, during the

preceding calendar year. The Secretary of State shall, on or before April 15 of each year, transmit to the Department of Transportation a full and complete report showing the amount of motor vehicle license fees received from the residents of each county, respectively, during the preceding calendar year. The Department of Transportation shall, each month, use for allotment purposes the last such report received from the Secretary of State.

As soon as may be after the first day of each month, the Department of Transportation shall allot to the several counties their share of the amount apportioned for the use of road districts. The allotment shall be apportioned among the several counties in the State in the proportion which the total mileage of township or district roads in the respective counties bears to the total mileage of all township and district roads in the State. Funds allotted to the respective counties for the use of road districts therein shall be allocated to the several road districts in the county in the proportion which the total mileage of such township or district roads in the respective road districts bears to the total mileage of all such township or district roads in the county. After July 1 of any year, no allocation shall be made for any road district unless it levied a tax for road and bridge purposes in an amount which will require the extension of such tax against the taxable property in any such road district at a rate of not less than either .08% of the value thereof, based

upon the assessment for the year immediately prior to the year in which such tax was levied and as equalized by the Department of Revenue or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less. If any road district has levied a special tax for road purposes pursuant to Sections 6-601, 6-602 and 6-603 of the Illinois Highway Code, and such tax was levied in an amount which would require extension at a rate of not less than .08% of the value of the taxable property thereof, as equalized or assessed by the Department of Revenue, or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less, such levy shall, however, be deemed a proper compliance with this Section and shall qualify such road district for an allotment under this Section. If a township has transferred to the road and bridge fund money which, when added to the amount of any tax levy of the road district would be the equivalent of a tax levy requiring extension at a rate of at least .08%, or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less, such transfer, together with any such tax levy, shall be deemed a proper compliance with this Section and shall qualify the road district for an allotment under this Section.

In counties in which a property tax extension limitation is imposed under the Property Tax Extension Limitation Law, road



districts may retain their entitlement to a motor fuel tax allotment if, at the time the property tax extension limitation was imposed, the road district was levying a road and bridge tax at a rate sufficient to entitle it to a motor fuel tax allotment and continues to levy the maximum allowable amount after the imposition of the property tax extension limitation. Any road district may in all circumstances retain its entitlement to a motor fuel tax allotment if it levied a road and bridge tax in an amount that will require the extension of the tax against the taxable property in the road district at a rate of not less than 0.08% of the assessed value of the property, based upon the assessment for the year immediately preceding the year in which the tax was levied and as equalized by the Department of Revenue or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less.

As used in this Section the term "road district" means any road district, including a county unit road district, provided for by the Illinois Highway Code; and the term "township or district road" means any road in the township and district road system as defined in the Illinois Highway Code. For the purposes of this Section, "road district" also includes park districts, forest preserve districts and conservation districts organized under Illinois law and "township or district road" also includes such roads as are maintained by park districts, forest preserve districts and conservation

districts. The Department of Transportation shall determine the mileage of all township and district roads for the purposes of making allotments and allocations of motor fuel tax funds for use in road districts.

Payment of motor fuel tax moneys to municipalities and counties shall be made as soon as possible after the allotment is made. The treasurer of the municipality or county may invest these funds until their use is required and the interest earned by these investments shall be limited to the same uses as the principal funds.

(Source: P.A. 95-744, eff. 7-18-08; 96-34, eff. 7-13-09; 96-45, eff. 7-15-09; revised 11-3-09.)

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

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

Any person who purchases motor fuel in Illinois and uses that motor fuel in another state and that other state imposes a tax on the use of such motor fuel shall be reimbursed and repaid the amount of Illinois tax paid under Section 2 of this Act on the motor fuel used in such other state. Reimbursement and repayment shall be made by the Department upon receipt of

adequate proof of taxes directly paid to another state and the amount of motor fuel used in that state.

Claims based in whole or in part on taxes paid to another state shall include (i) a certified copy of the tax return filed with such other state by the claimant; (ii) a copy of either the cancelled check paying the tax due on such return, or a receipt acknowledging payment of the tax due on such tax return; and (iii) such other information as the Department may reasonably require. This paragraph shall not apply to taxes paid on returns filed under Section 13a.3 of this Act.

Any person who purchases motor fuel use tax decals as required by Section 13a.4 and pays an amount of fees for such decals that exceeds the amount due shall be reimbursed and repaid the amount of the decal fees that are deemed by the department to be in excess of the amount due.

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

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

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

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

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

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

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

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

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

In any case in which there has been an erroneous refund of tax or fees payable under this Section, a notice of tax

liability may be issued at any time within 3 years from the making of that refund, or within 5 years from the making of that refund if it appears that any part of the refund was induced by fraud or the misrepresentation of material fact. The amount of any proposed assessment set forth by the Department shall be limited to the amount of the erroneous refund.

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

If the payment for which the distributor's or supplier's claim is filed is held in the protest fund of the State Treasury during the pendency of the claim for credit proceedings pursuant to the order of the court in accordance with Section 2a of the State Officers and Employees Money Disposition Act and if it is determined by the Department or by the final order of a reviewing court under the Administrative Review Law that the claimant is entitled to all or a part of the credit claimed, the claimant, instead of receiving a credit memorandum from the Department, shall receive a cash refund from the protest fund as provided for in Section 2a of the State Officers and Employees Money Disposition Act.

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

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

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

- (1) Undyed diesel fuel used (i) in a manufacturing process, as defined in Section 2-45 of the Retailers' Occupation Tax Act, wherein the undyed diesel fuel becomes a component part of a product or by-product, other than



fuel or motor fuel, when the use of dyed diesel fuel in that manufacturing process results in a product that is unsuitable for its intended use or (ii) for testing machinery and equipment in a manufacturing process, as defined in Section 2-45 of the Retailers' Occupation Tax Act, wherein the testing takes place on private property.

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

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

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

(5) Undyed diesel fuel used by a unit of local government in its operation of an airport if the undyed diesel fuel is used directly in airport operations on airport property.

(6) Undyed diesel fuel used by refrigeration units that

are permanently mounted to a semitrailer, as defined in Section 1.28 of this Law, wherein the refrigeration units have a fuel supply system dedicated solely for the operation of the refrigeration units.

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

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

Any person who has paid the tax imposed by Section 2 of this Law upon undyed diesel fuel that is unintentionally mixed

with dyed diesel fuel and who owns or controls the mixture of undyed diesel fuel and dyed diesel fuel may file a claim for refund to recover the amount paid. The amount of undyed diesel fuel unintentionally mixed must equal 500 gallons or more. Any claim for refund of unintentionally mixed undyed diesel fuel and dyed diesel fuel shall be supported by documentation showing the date and location of the unintentional mixing, the number of gallons involved, the disposition of the mixed diesel fuel, and any other information that the Department may reasonably require. Any unintentional mixture of undyed diesel fuel and dyed diesel fuel shall be sold or used only for non-highway purposes.

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

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

(Source: P.A. 94-654, eff. 8-22-05.)

(35 ILCS 505/13a.4) (from Ch. 120, par. 429a4)

Sec. 13a.4. Except as provided in Section 13a.5 of this Act, no motor carrier shall operate in Illinois without first securing a motor fuel use tax license and decals from the Department or a motor fuel use tax license and decals issued under the International Fuel Tax Agreement by any member jurisdiction. Notwithstanding any other provision of this Section to the contrary, however, the Director of Revenue or his designee may, upon determining that a disaster exists in Illinois or in any other state, temporarily waive the licensing requirements of this Section for commercial motor vehicles that travel through Illinois, or return to Illinois from a point outside Illinois, for the purpose of assisting in disaster relief efforts. Temporary waiver of the licensing requirements of this Section shall not exceed a period of 30 days from the date the Director temporarily waives the licensing requirements of this Section. For purposes of this Section, a disaster includes flood, tornado, hurricane, fire, earthquake, or any other disaster that causes or threatens loss of life or destruction or damage to property of such a magnitude as to endanger the public health, safety, and welfare. The licensing requirements of this Section shall be temporarily waived only if the operator of the commercial motor vehicle can provide proof by manifest that the commercial motor vehicle is traveling through Illinois or returning to Illinois from a point outside Illinois for purposes of assisting in disaster relief efforts. Application for such license and decals shall

be made annually to the Department on forms prescribed by the Department. The application shall be under oath, and shall contain such information as the Department deems necessary. The Department, for cause, may require an applicant to post a bond on a form to be approved by and with a surety or sureties satisfactory to the Department conditioned upon such applicant paying to the State of Illinois all monies becoming due by reason of the sale or use of motor fuel by the applicant, together with all penalties and interest thereon. If a bond is required, it shall be equal to at least twice the estimated average tax liability of a quarterly return. The Department shall fix the penalty of such bond in each case taking into consideration the amount of motor fuel expected to be used by such applicant and the penalty fixed by the Department shall be such as, in its opinion, will protect the State of Illinois against failure to pay the amount hereinafter provided on motor fuel used. No person who is in default to the State for monies due under this Act for the sale, distribution or use of motor fuel shall receive such a license or decal.

Upon receipt of the application for license in proper form, and upon payment of any required \$100 reinstatement fee, and upon approval by the Department of the bond furnished by the applicant, the Department may issue to such applicant a license which allows the operation of commercial motor vehicles in Illinois, and decals for each commercial motor vehicle operating in Illinois. Prior to January 1, 1985, motor fuel use

tax licenses shall be conspicuously displayed in the cab of each commercial motor vehicle operating in Illinois. After January 1, 1986, motor fuel use tax licenses shall be carried in the cab of each commercial motor vehicle operating in Illinois.

The Department shall, by regulation, provide for the use of reproductions of original motor fuel use tax licenses in lieu of issuing multiple original motor fuel use tax licenses to licensees.

On and after January 1, 1985, external motor fuel tax decals shall be conspicuously displayed on the passenger side of each commercial motor vehicle propelled by motor fuel operating in Illinois, except buses, which may display such devices on the driver's side of the vehicle. Beginning with the effective date of this amendatory Act of 1993 or the membership of the State of Illinois in the International Fuel Tax Agreement, whichever is later, the decals issued to the licensee shall be placed on both exterior sides of the cab. In the case of transporters, manufacturers, dealers, or driveway operations, the decals need not be permanently affixed but may be temporarily displayed in a visible manner on the exterior sides of the cab. Failure to display the decals in the required locations may subject the vehicle operator to the purchase of a trip permit and a citation. Such motor fuel tax decals shall be issued by the Department and remain valid for a period of 2 calendar years, beginning January 1, 1985. The decals shall

expire at the end of the regular 2 year issuance period, with new decals required to be displayed at that time. Beginning January 1, 1993, the motor fuel decals shall be issued by the Department and remain valid for a period of one calendar year. The decals shall expire at the end of the regular one year issuance period, with new decals required to be displayed at that time. Decals shall be no larger than 3 inches by 3 inches. Prior to January 1, 1993, a fee of \$7.50 shall be charged by the Department for each decal issued prior to and during the 2 calendar years such decal is valid. Beginning January 1, 1993, a fee of \$3.75 shall be charged by the Department for each decal issued prior to and during the calendar year such decal is valid. Beginning January 1, 1994, \$3.75 shall be charged for a set of 2 decals. The Department may also prescribe procedures for the issuance of replacement decals, with a maximum fee of \$2 for each set of replacement decals issued. The transfer of decals from one vehicle to another vehicle or from one motor carrier to another motor carrier is prohibited. The fees paid for the decals issued under this Section shall be deposited in the Motor Fuel Tax Fund, and may be appropriated to the Department for administration of this Section and enforcement of the tax imposed by Section 13a of this Act.

To avoid duplicate reporting of mileage and payment of any tax arising therefrom under Section 13a.3 of this Act, the Department shall, by regulation, provide for the allocation between lessors and lessees of the same commercial motor

vehicle or vehicles of the responsibility as a motor carrier for the reporting of mileage and the liability for tax arising under Section 13a.3 of this Act, and for registration, furnishing of bond, carrying of motor fuel use tax licenses, and display of decals under this Section, and for all other duties imposed upon motor carriers by this Act.

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

(35 ILCS 505/13a.5) (from Ch. 120, par. 429a5)

Sec. 13a.5. As to a commercial motor vehicle operated in Illinois in the course of interstate traffic by a motor carrier not holding a motor fuel use tax license issued under this Act, a single trip permit authorizing operation of such commercial motor vehicle for a single trip into the State of Illinois, through the State of Illinois, or from a point on the border of this State to a point within and return to the border may be issued by the Department or its agents after proper application. The fee for each single trip permit shall be \$40 ~~\$20~~ and such single trip permit shall be valid for a period of 96 ~~72~~ hours. This fee shall be in lieu of the tax required by Section 13a of this Act, all reports required by Section 13a.3 of this Act, and the registration, decal display and furnishing of bond required by Section 13a.4 of this Act. Notwithstanding any other provision of this Section to the contrary, however, the Director of Revenue or his designee may, upon determining that a disaster exists in Illinois or in any other state,



temporarily waive the permit provisions of this Section for commercial motor vehicles that travel into the State of Illinois, through Illinois, or return to Illinois from a point outside Illinois, for the purpose of assisting in disaster relief efforts. Temporary waiver of the permit provisions of this Section shall not exceed a period of 30 days from the date the Director waives the permit provisions of this Section. For purposes of this Section, a disaster includes flood, tornado, hurricane, fire, earthquake, or any other disaster that causes or threatens loss of life or destruction or damage to property of such a magnitude as to endanger the public health, safety, and welfare. The permit provisions of this Section shall be temporarily waived only if the operator of the commercial motor vehicle can provide proof by manifest that the commercial motor vehicle is traveling through Illinois or returning to Illinois from a point outside Illinois for purposes of assisting in disaster relief efforts. Rules or regulations promulgated by the Department under this Section shall provide for reasonable and proper limitations and restrictions governing application for and issuance and use of, single trip permits, so as to preclude evasion of the license requirement in Section 13a.4.

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

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

Sec. 15. 1. Any person who knowingly acts as a distributor of motor fuel or supplier of special fuel, or receiver of fuel

without having a license so to do, or who knowingly fails or refuses to file a return with the Department as provided in Section 2b, Section 5, or Section 5a of this Act, or who knowingly fails or refuses to make payment to the Department as provided either in Section 2b, Section 6, Section 6a, or Section 7 of this Act, shall be guilty of a Class 3 felony. Each day any person knowingly acts as a distributor of motor fuel, supplier of special fuel, or receiver of fuel without having a license so to do or after such a license has been revoked, constitutes a separate offense.

2. Any person who acts as a motor carrier without having a valid motor fuel use tax license, issued by the Department or by a member jurisdiction under the provisions of the International Fuel Tax Agreement, or a valid single trip permit is guilty of a Class A misdemeanor for a first offense and is guilty of a Class 4 felony for each subsequent offense. Any person (i) who fails or refuses to make payment to the Department as provided in Section 13a.1 of this Act or in the International Fuel Tax Agreement referenced in Section 14a, or (ii) who fails or refuses to make the quarterly return as provided in Section 13a.3 is guilty of a Class 4 felony; and for each subsequent offense, such person is guilty of a Class 3 felony.

3. In case such person acting as a distributor, receiver, supplier, or motor carrier is a corporation, then the officer or officers, agent or agents, employee or employees, of such

corporation responsible for any act of such corporation, or failure of such corporation to act, which acts or failure to act constitutes a violation of any of the provisions of this Act as enumerated in paragraphs 1 and 2 of this Section, shall be punished by such fine or imprisonment, or by both such fine and imprisonment as provided in those paragraphs.

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

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

4. Any person who refuses, upon demand, to submit for inspection, books and records, or who fails or refuses to keep books and records in violation of Section 12 of this Act, or any distributor, receiver, or supplier who violates any reasonable rule or regulation adopted by the Department for the enforcement of this Act is guilty of a Class A misdemeanor. Any person who acts as a blender in violation of Section 3 of this Act or who having transported reportable motor fuel within Section 7b of this Act fails to make the return required by that Section, is guilty of a Class 4 felony.

5. Any person licensed under Section 13a.4, 13a.5, or the International Fuel Tax Agreement who: (a) fails or refuses to keep records and books, as provided in Section 13a.2 or as required by the terms of the International Fuel Tax Agreement,

(b) refuses upon demand by the Department to submit for inspection and examination the records required by Section 13a.2 of this Act or by the terms of the International Fuel Tax Agreement, or (c) violates any reasonable rule or regulation adopted by the Department for the enforcement of this Act, is guilty of a Class A misdemeanor.

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

7. A prosecution for any violation of this Section may be commenced anytime within 5 years of the commission of that violation. A prosecution for tax evasion as set forth in paragraph 3.7 of this Section may be prosecuted any time within 5 years of the commission of the last act in furtherance of evasion. The running of the period of limitations under this Section shall be suspended while any proceeding or appeal from any proceeding relating to the quashing or enforcement of any grand jury or administrative subpoena issued in connection with an investigation of the violation of any provision of this Act is pending.

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

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

of a Class 4 felony.

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

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

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

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

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

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

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

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

First occurrence .....	<u>\$1,000</u> <del>\$2,500</del>
Second and each occurrence thereafter .....	\$5,000

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

First occurrence .....	<u>\$1,000</u> <del>\$5,000</del>
Second and each occurrence thereafter .....	<u>\$5,000</u> <del>\$10,000</del>

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

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

For purposes of this Section, dyed diesel fuel means any dyed diesel fuel whether or not dyed pursuant to Section 4d of

this Law.

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

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

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

(35 ILCS 505/17a new)

Sec. 17a. Forms; electronic filing. All returns, applications, and other forms required by this Act must be in the form required by the Department. The Department is authorized to adopt rules to require the electronic payment of tax or fees under this Act, and the electronic filing of returns, applications or other forms required by this Act.

Section 10. The Environmental Impact Fee Law is amended by changing Section 325 as follows:

(415 ILCS 125/325)

(Section scheduled to be repealed on January 1, 2025)

Sec. 325. Incorporation of other Acts. The provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b,

6c, 8, 9, 10 and 12 (except to the extent to which the minimum notice requirement for hearings conflicts with that provided for in Section 16 of the Motor Fuel Tax Law), of the Retailers' Occupation Tax Act that are not inconsistent with this Act, and Section 3-7 of the Uniform Penalty and Interest Act shall apply as far as practicable, to the subject matter of this Law to the same extent as if those provisions were included in this Law.

In addition, Sections 2d, 12, 12a, 13a.8, 14, 15, 16, 17, 17a, and 18 of the Motor Fuel Tax Law shall apply as far as practicable, to the subject matter of this Law to the same extent as if those provisions were included in this Law.

References to "taxes" in these incorporated Sections shall be construed to apply to the administration, payment, and remittance of all fees under this Law.

(Source: P.A. 95-264, eff. 8-17-07.)

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