

ADMINISTRATIVE CODE

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE
PART 130 RETAILERS' OCCUPATION TAX
SECTION 130.320 GASOHOL, MAJORITY BLENDED ETHANOL, BIODIESEL
BLENDS, AND 100% BIODIESEL

Section 130.320 Gasohol, Majority Blended Ethanol, Biodiesel Blends, and 100% Biodiesel

- a) Effective January 1, 1990 and prior to July 1, 2003, sales of *gasohol*, as defined in Section 3-40 of the *Use Tax Act*, are subject to tax, based upon 70% of the proceeds of sales. On and after July 1, 2003 and on or before July 1, 2017, tax shall be based upon 80% of the proceeds from sales of gasohol. On and after July 1, 2017, and prior to January 1, 2024, tax shall be based upon 100% of the proceeds of sales of gasohol. On and after January 1, 2024, and prior to January 1, 2029, tax shall be based upon 90% of the proceeds of sales of gasohol. On and after January 1, 2029, tax shall be based upon 100% of the proceeds of sales of gasohol. *Effective July 1, 2003, if at any time, the tax under the Retailers' Occupation Tax Act (ROTA) on sales of gasohol is imposed at the rate of 1.25%, then the tax imposed by the Act applies to 100% of the proceeds of sales of gasohol made during that time.* [35 ILCS 120/2-10]
- b) *With respect to majority blended ethanol fuel, as defined in Section 3-44 of the Use Tax Act, the tax imposed by the ROTA does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2028, but applies to 100% of the proceeds of sales made thereafter.* [35 ILCS 120/2-10]
- c) *With respect to biodiesel blends, as defined in Section 3-42 of the Use Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by the ROTA applies to 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2018 and 100% of the proceeds of sales made after December 31, 2018 and before January 1, 2024. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act which is reflected in subsection (e) of this Section. If at any time, however, the tax under the ROTA on sales of biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by the ROTA applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.* [35 ILCS 120/2-10]
- d) *With respect to biodiesel, as defined in Section 3-41 of the Use Tax Act, and biodiesel blends, as defined in Section 3-42 of the Use Tax Act, with more than 10% but no more than 99% biodiesel, the tax imposed by the ROTA does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023. On and after January 1, 2024 and on or before December 31, 2030, the*

taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act which is reflected in subsection (e) below. [35 ILCS 120/2-10]

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- e) Tax rate on biodiesel, renewable diesel, and biodiesel blends, on January 1, 2024 through December 31, 2030.
- 1) On and after January 1, 2024 and on or before December 31, 2030, the taxes imposed by the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act apply to 100% of the proceeds of sales of (i) biodiesel blends with no less than 1% and no more than 10% of biodiesel and (ii) any diesel fuel containing no less than 1% and no more than 10% of renewable diesel. [35 ILCS 105/3-5.1(a)]
 - 2) From January 1, 2024 through March 31, 2024, the taxes imposed by the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel. [35 ILCS 105/3-5.1(b)]
 - 3) From April 1, 2024 through November 30, 2024, the taxes imposed by the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 13% biodiesel or renewable diesel. [35 ILCS 105/3-5.1(c)]
 - 4) From December 1, 2024 through March 31, 2025, the taxes imposed by the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel. [35 ILCS 105/3-5.1(d)]
 - 5) From April 1, 2025 through November 30, 2025, the taxes imposed by the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 16% biodiesel or renewable diesel. [35 ILCS 105/3-5.1(e)]
 - 6) From December 1, 2025 through March 31, 2026, the taxes imposed by the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel. [35 ILCS 105/3-5.1(f)]
 - 7) On and after April 1, 2026 and on or before November 30, 2030, the taxes imposed by the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 19% biodiesel or renewable diesel; except that, from December 1 of calendar years 2026, 2027, 2028, and 2029 through March 31 of the following calendar year, and from December 1, 2030 through December 31, 2030, the taxes imposed by the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of

any diesel fuel containing more than 10% biodiesel or renewable diesel. [35
ILCS 105/3-5.1(g)] NON-CONFIDENTIAL

- f) *With respect to mid-range ethanol blends, as defined in Section 3-44.3 of the Use Tax Act, the tax imposed by the ROTA applies to 80% of the proceeds of sales made on or after January 1, 2024 and on or before December 31, 2028 and 100% of the proceeds of sales made after December 31, 2028. If, at any time, however, the tax under the ROTA on sales of mid-range ethanol blends is imposed at the rate of 1.25%, then the tax imposed by the ROTA applies to 100% of the proceeds of sales of mid-range ethanol blends made during that time.* [35 ILCS 120/2-10]

(Source: Amended at 48 Ill. Reg. 14779, effective September 25, 2024)

