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2014 Illinois Legislature Mid-Session Summary April 2014

Illinois lawmakers are currently on a two-week Spring Break. When legislators return to Springfield on April 29, they will have five weeks to pass bills that have been approved in the opposing chamber, pass a budget, and possibly pass a Capital Bill, before adjournment on May 31.

Nearly 6,000 bills were introduced this year. The Illinois Trucking Association actively monitors more than 200 bills on a daily basis that are of importance to the trucking industry. Following is a mid-session report of various bills that could have an impact on trucking industry companies.

REPEAL OF THE COMMERCIAL DISTRIBUTION FEE – A SALES TAX ON TRUCK LICENSES

Legislation initiated by the Illinois Trucking Association to repeal the Commercial Distribution Fee (CDF) on truck license plates was not allowed out of subcommittee this session. Since 2003, Illinois has charged a CDF on license plates for any vehicle registered above 8,000 pounds. Initially a 36% surcharge, the fee has been reduced to 14.35%. Truck owners today pay up to an extra \$400 per truck on top of the license plate fee. The CDF goes entirely into the state's general revenue fund and it generates \$40-\$48 million per year for the state's GRF.

The Senate version of the CDF is [SB 2927](#), sponsored by Senator Martin Sandoval (D-Chicago). An identical bill in the House, [HB 4384](#), is sponsored by Rep. Rita Mayfield (D-Waukegan).

SPEED LIMIT DIFFERENTIALS

In January, the Illinois Trucking Association requested that IDOT reduce car speed limits in rural areas of the six-county Chicago-area where they had created a 15 MPH differential between cars and trucks: Cars at 70 MPH and trucks at 55 MPH.



(70 MPH speed limit sign with 55 MPH truck speed limit in background)

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The department denied the association's request so in order to reduce the speed limit differential back to a 10 MPH difference, the Illinois Trucking Association was forced to initiate legislation that would raise truck speed limits from 55 to 60 MPH on those rural interstates. [SB930](#), sponsored by Sen. Martin Sandoval (D-Chicago), passed the Illinois Senate on April 9 by a vote of 58-0. The bill now moves on to the House where it will be sponsored by Rep. Martin Moylan (D-Des Plaines).

2,000-POUND WEIGHT VARIANCE FOR NATURAL GAS POWERED TRUCKS

Legislation initiated by the ITA that would grant a 2,000-pound weight variance for trucks powered by Natural Gas passed the Illinois Senate on April 9. [SB 3574](#), sponsored by Sen. Martin Sandoval passed the Senate by a vote of 58-0. If the bill passes the House and is signed by the governor, trucks that are powered by natural gas would receive an additional weight limitation of 2,000-pounds on all roads except for federal interstate highways. Indiana, Ohio, and Virginia have recently passed similar laws in their states.

The weight variance is needed to compensate for heavier fuel tanks that hold CNG or LNG. [SB 3574](#) now moves on to the House where it is sponsored by Rep. Rita Mayfield (D-Waukegan).

TRUCK TOWING RESTRICTIONS

Another bill initiated by the Illinois Trucking Association passed the Illinois Senate on April 8. [SB 2932](#) would prohibit the practice of towing companies removing semis from an unauthorized lot by driving the vehicle away under its own power. Several ITA members have had their trucks "towed" by companies that quickly remove the semi, drive it to their impound lot, and then demand thousands of dollars in towing and storage fees.

[SB 2932](#), sponsored by Sen. John Sullivan (D-Rushville), passed the State Senate on April 8 by a vote of 55-0. The bill now moves on to the House where it will be sponsored by Rep. Dan Beiser (D-Alton).

TFIC TRANSPORTATION FUNDING PROPOSAL; INCLUDES CDF REPEAL

The Transportation for Illinois Coalition (TFIC) unveiled a proposal on April 1 that would generate \$1.8 billion in new revenue for the state's transportation infrastructure. The plan would eliminate the 14.35% Commercial Distribution Fee on truck license plates that currently goes into the General Revenue Fund.

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The plan calls for \$1.1 billion in existing taxes and fees be redirected to the road fund, including \$800 million the state currently collects in sales tax on motor fuel. At this time, the sales tax on motor fuel in Illinois goes into the General Revenue Fund, not into the road fund for highways and bridges. New funding would come from a 4-cent-per-gallon increase in gasoline and a 7-cent-per-gallon increase in diesel fuel. Automobile license plates would also be increased by \$18 per year.

[Click here to see the full TFIC proposal.](#) At this time, the plan has not been proposed as legislation and no legislators have stepped forward to sponsor a bill.

MORE VIDEO POKER AT TRUCK STOPS APPROVED BY SENATE COMMITTEE

State Senator Dave Syverson (R-Rockford) has introduced legislation that would double the number of video poker machines allowed at truck stops in Illinois. Under existing law, truck stops are allowed to have up to five video poker machines. [SB 3144](#) would increase that limit to 10 machines per truck stop.

On April 9, the Senate Executive Committee voted 8-2 to send the bill to the full Senate.

MINIMUM WAGE HIKE APPROVED BY SENATE COMMITTEE

The Senate Executive Committee voted 10-5 on March 20 to approve legislation that would raise Illinois' minimum wage from \$8.25 per hour to \$10.65 per hour over two years. The federal minimum wage is \$7.25 per hour. [SB 68](#) is sponsored by Sen. Kimberly Lightford (D-Chicago). The bill now heads to the full Senate for consideration where its future is uncertain.

Meanwhile, State Senator Jim Oberweis (R-North Aurora) released his own proposal recently that would raise the minimum wage for workers over 26 years of age from \$8.25 to \$9.00 per hour next year, to \$9.50 in 2016, and to \$10 per hour in 2017. 18-26 year olds would remain at \$8.25 per hour and those under 18 would stay at \$7.75 per hour. Oberweis is running for the US Senate this fall against incumbent Richard Durbin.

"MILLIONAIRE'S TAX"

House Speaker Michael Madigan proposed a constitutional amendment that would impose a 3% surcharge on individual tax payers and companies that file as S-Corporations that make \$1 million or more per year. [HJRCA 51](#) would have to pass both chambers of the legislature with super-majorities, be signed by the governor, and then be approved by a majority of voters in November in order for the proposal to become law.

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Speaker Madigan recently backed away from his proposal citing a lack of support for the plan among House Members.

GRADUATED INCOME TAX

A proposal to eliminate Illinois' flat income tax rate in exchange for graduated income tax rates like the federal income tax structure has been proposed in both the Illinois Legislature.

Senator Don Harmon (D-Oak Park) is proposing [SJCA 40](#) that would eliminate the flat personal tax rate, currently at 5% and the flat corporate tax rate, currently at 8%. Harmon proposes to replace existing rates with tax rates that go up as the individual or company makes more money. He is proposing a rate of 2.9% for incomes below \$12,500, 4.9% for incomes of \$12,501-\$180,000, and 6.9% for incomes above \$180,000 per year.

The Illinois Constitution currently limits income and corporate taxes to a fixed, flat rate and the corporate rate may not exceed the personal rate by a ratio of more than 8 to 5. SJCA 40 would need to pass both chambers of the legislature by super-majorities before May 4 to be on the November ballot. If approved, the Illinois legislature could change the actual tax rates in any given year going forward with a simple majority vote.