

**Illinois Department of Revenue
Regulations**

Title 86 Part 180 Section 180.130 Nontaxable Transactions

TITLE 86: REVENUE

**PART 180
AUTOMOBILE RENTING OCCUPATION TAX**

**SUBPART B: GROSS RECEIPTS, AUTHORIZED DEDUCTIONS
AND NON-TAXABLE TRANSACTIONS**

Section 180.130 Nontaxable Transactions

The tax does not apply to rental receipts from the following transactions:

- a) *The renting of automobiles to any governmental body, nor to any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes, nor to any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which is organized and operated primarily for the recreation of persons 55 years or older; (Section 3 of the Act);*
- b) isolated or occasional automobile renting transactions;
- c) the renting of automobiles under lease terms of more than one year;
- d) the renting of motor vehicles which do not fall within the definition of automobile as set forth in Subsection 180.101(b);
- e) transactions protected by the Commerce Clause of the United States Constitution (U.S. Const. art. 1, sec. 8, cl. 3);
- f) transactions in which the rentor furnishes the service of operating the automobile, so that the rentor or the rentor's agent remains in possession of the automobile;
- g) transactions in which an automobile dealer makes a charge for the use of an automobile as a demonstrator in connection with that dealer's business of selling automobiles so long as the charge is made only to recover the costs of operating the automobile as a demonstrator; nor
- h) the renting of automobiles under lease terms of one year or less to persons who will re-rent those automobiles to others under lease terms of one year or less.

(Source: Amended at 16 Ill. Reg. 4859, effective March 12, 1992)