

**Illinois Department of Revenue
Regulations**

Title 86 Part 500 Section 500.200 Basis and Rate of the Motor Fuel Tax

**TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 500
MOTOR FUEL TAX**

Section 500.200 Basis and Rate of the Motor Fuel Tax

a) *The Motor Fuel Tax is imposed "on the privilege of operating motor vehicles upon the public highways, including toll roads, and recreational-type watercraft upon the waters of this State".*

1) *Motor fuel used in such motor vehicles upon public highways and in such recreational watercraft on such waters is taxed according to the following rate schedule; provided that, beginning July 1, 2017, the tax on compressed natural gas is imposed in cents per GGE, rather than in cents per gallon, and the tax on liquefied natural gas and propane is imposed in cents per DGE, rather than in cents per gallon. The tax imposed on all motor fuel under this subsection (a)(1) is as follows:*

<i>Tax Period</i>	<i>Rate</i>
<i>Until August 1, 1983</i>	<i>7½¢ per gallon</i>
<i>From August 1, 1983 through June 30, 1984</i>	<i>11¢ per gallon</i>
<i>From July 1, 1984 through June 30, 1985</i>	<i>12¢ per gallon</i>
<i>From July 1, 1985 through June 30, 1989</i>	<i>13¢ per gallon</i>
<i>From August 1, 1989 through December 31, 1989</i>	<i>16¢ per gallon</i>
<i>From January 1, 1990 through June 30, 2019</i>	<i>19¢ per gallon</i>
<i>From July 1, 2019 through June 30, 2020</i>	<i>38¢ per gallon</i>

Beginning July 1, 2020, and on July 1 of each subsequent year thereafter, the rate imposed under this subsection (a)(1) shall be increased by an amount equal to the percentage increase, if any, in the Consumer Price Index for All Urban Consumers, for all items, published by the United States Department of Labor for the months ending in March of each year. The rate shall be rounded up to the nearest one-

tenth of one cent.

- 2) *Through June 30, 2019, the tax on the privilege of operating motor vehicles that use diesel fuel shall be the rate according to subsection (a) plus an additional 2½ cents per gallon; provided that, on and after July 1, 2017, the additional tax under this subsection (a)(2) applies to liquefied natural gas and propane and is imposed in cents per DGE. On and after July 1, 2019, the tax on the privilege of operating motor vehicles that use diesel fuel, including liquefied natural gas and propane, shall be the rate according to subsection (a)(1) plus an additional 7½ cents per gallon. This total combined rate is as follows:*

<i>Tax Period</i>	<i>Rate</i>
<i>Until August 1, 1983</i>	<i>7½¢ per gallon</i>
<i>From August 1, 1983 through June 30, 1984</i>	<i>13½¢ per gallon</i>
<i>From July 1, 1984 through June 30, 1985</i>	<i>14½¢ per gallon</i>
<i>From July 1, 1985 through July 31, 1989</i>	<i>15½¢ per gallon</i>
<i>From August 1, 1989 through December 31, 1989</i>	<i>18½¢ per gallon</i>
<i>From January 1, 1990 through June 30, 2019</i>	<i>21½¢ per gallon</i>
<i>From July 1, 2019 through June 30, 2020</i>	<i>45½¢ per gallon</i>

Beginning July 1, 2020, and on July 1 of each subsequent year thereafter, the total rate imposed under this subsection (a)(2) will be adjusted to reflect any increase under subsection (a)(1).

- b) *The Motor Fuel Use Tax is imposed "upon the use of motor fuel upon highways (including toll ways of this State) by commercial motor vehicles". The tax on such motor fuel shall be comprised of two parts:*
- 1) *A tax at the rate established in subsections (a)(1) and (a)(2); and*
 - 2) *A rate established by the Department as of January 1 of each year using the average "selling price", as defined in the Retailers' Occupation Tax Act, per gallon of motor fuel sold in this State during the previous 12 months and multiplying it by 6.25% to determine the cents per gallon rate. (Section 13a(2) of the Law). 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. Third parties include, but are not limited to, commercial entities that collect data (available by contract or at no cost) regarding the selling price of motor fuel sold in this State on a per gallon basis.*
- c) *Compressed Natural Gas. Compressed natural gas is subject to tax at the rate established in subsection (a)(1).*

- 1) Calculation of Tax Through June 30, 2017. Because CNG cannot be measured in gallons, it must be converted to gallons using a conversion factor. For purposes of calculating tax under the Motor Fuel Tax Law, a gallon of CNG means a quantity of compressed natural gas equal to 126.67 cubic feet of natural gas at 60 degrees Fahrenheit and one atmosphere of pressure. In the alternative, it means a quantity of compressed natural gas that weighs 5.66 pounds.
 - 2) Calculation of Tax On and After July 1, 2017. CNG is required to be sold in GGEs (Section 8 of the Weights and Measures Act; 225 ILCS 470). Tax is calculated at the rate established in subsection (a)(1) in cents per GGE. *A GGE of compressed natural gas is defined as 5.660 pounds of compressed natural gas* (Section 1.8B of the Law).
- d) Liquefied Natural Gas and Propane. Through June 30, 2017, tax on LNG and propane is calculated at only the rate established in subsection (a)(1) and is imposed at cents per liquid gallon. However, on and after July 1, 2017, LNG and propane are also subject to the additional tax under subsection (a)(2), calculated in cents per DGE. *A DGE of liquefied natural gas or propane is defined as 6.06 pounds of LNG or 6.41 pounds of propane* (Section 1.8A of the Law). On and after July 1, 2017, LNG and propane are subject to the following restrictions:
- 1) LNG and propane are required to be sold in DGEs.
 - 2) If propane is not sold in DGEs, however, measured gallon volumetric units must be converted to DGEs to properly calculate tax. In this case, the *actual measured gallon volumetric units sold must be multiplied by 0.651 to determine the DGEs that are subject to tax* (Section 8 of the Weights and Measures Act [225 ILCS 470]).

(Source: Amended at 44 Ill. Reg. 3282, effective February 10, 2020)