

**Illinois Department of Revenue
Regulations**

Title 86 Part 500 Section 500.325 Licensure of Lessors and Lessees

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

**PART 500
MOTOR FUEL TAX**

SUBPART C: MOTOR FUEL USE TAX

Section 500.325 Licensure of Lessors and Lessees

- a) A lessor regularly engaged in the business of leasing or renting motor vehicles without drivers for compensation to licensees or other lessees may be deemed to be the licensee, and the lessor may be issued a license if an application has been properly filed and approved by the base jurisdiction.
- b) In the case of a carrier using independent contractors under long-term leases (more than 30 days), the lessor and lessee will be given the option of designating which party will report and pay fuel use tax. In the absence of a written agreement or contract, or if the document is silent regarding responsibility for reporting and paying fuel use tax, the lessee will be responsible for reporting and paying fuel use tax. If the lessee (carrier), through a written agreement or contract, assumes responsibility for reporting and paying fuel use taxes, the base jurisdiction for purposes of this Part shall be the base jurisdiction of the lessee, regardless of the jurisdiction in which the commercial motor vehicle is registered for vehicle registration purposes by the lessor.
- c) For motor vehicle leases of 30 days or less, the lessor of the motor vehicles under lease will be liable for all requirements of the motor fuel use tax program.
- d) In the case of a household goods carrier using independent contractors, agents, or service representatives, under intermittent leases, the party liable for motor fuel tax shall be:
 - 1) The lessee (carrier) when the commercial motor vehicle is being operated under the lessee's jurisdictional operating authority. The base jurisdiction for purposes of this Part shall be the base jurisdiction of the lessee (carrier), regardless of the jurisdiction in which the commercial motor vehicle is registered for vehicle registration purposes by the lessor or lessee.
 - 2) The lessor (independent contractor, agent, or service representative) when the qualified motor vehicle is being operated under the lessor's jurisdictional operating authority. The base jurisdiction for purposes of this Part shall be the base jurisdiction of the lessor, regardless of the jurisdiction in which the commercial motor vehicle is registered for vehicle registration purposes.
- e) For licensees registered under the IFTA, leases shall be made available upon request

of the Department or request of any member jurisdiction.

- f) Any agreement between lessors and lessees does not prevent the Department from fulfilling its obligation to collect any tax due by proceeding against either party.

(Source: Amended at 36 Ill. Reg. 6677, effective April 12, 2012)