

**Illinois Department of Revenue
Regulations**

Title 86 Part 510 Section 510.190 Discounts, Penalties and Finance or Interest Charges

TITLE 86: REVENUE

**PART 510
THE PUBLIC UTILITIES REVENUE ACT**

Section 510.190 Discounts, Penalties and Finance or Interest Charges

a) Where taxpayers allow discounts from gross charges for services within the Act because of prompt payment of accounts, the amounts of such discounts are not included within gross receipts by which tax is computed.

b) Where taxpayers add and collect penalties or interest upon delinquent accounts or upon accounts involving installment payments, the amounts of such penalties or interest so added and paid need not be included in gross receipts, provided that the amounts thereof are separately itemized and billed to the persons to whom the services are furnished, and separately recorded upon the books and records of the taxpayer. If the amounts of such penalty, interest or finance charges are not separately billed and itemized to the person to whom the services are furnished and separately recorded upon the books and records of the taxpayer, the total amount thereof must be included in gross receipts by which the tax is computed.

c) Where a "gross amount" and "net amount" are billed to a customer on the same invoice for services furnished, the "net amount" representing the charge if paid within a stated period of time, the "gross amount" being the charge payable after such stated time has elapsed, the difference between the two amounts is deemed to be a penalty or interest charge separately billed.

(Source: Amended at ___ Ill. Reg. ____, effective _____)