

Illinois Department of Revenue
1500 South Ninth Street
Springfield, Illinois 62708

INFORMATIONAL BULLETIN FY84-5

TO: All Interstate Motor Carriers Operating on Illinois Highways

SUBJECT: Increases in the Motor Fuel Use Tax

The State of Illinois recently enacted legislation which: 1) added a new tax to, and 2) increased the existing tax rate of the motor fuel tax (i.e., tax on special fuel used in Illinois by interstate commercial motor vehicles).

NEW TAX

EFFECTIVE JULY 1, 1983, a new component (Part B) was added to the motor fuel use tax (enacted in Public Act 82-1035) is equal to 5% of the average price of special fuel used in Illinois. Taxpayers may take credit against tax due for sales tax they paid (also computed at 5% of the average price) on special fuel purchased tax paid in Illinois.

The "average price per gallon of special fuel" will be an official figure computed and adjusted annually by the Department of Revenue. The Department will use this figure to calculate a cents per gallon rate - or "Part B rate" - which is equivalent to 5% of the official average price. The Part B rate will be calculated to the hundredth of a cent and rounded to the nearest tenth.

The Part B rate for July 1, 1983 through June 30, 1984, is 5.2> per gallon.

INCREASE IN EXISTING TAX

EFFECTIVE AUGUST 1, 1983, the "Part A" motor fuel use tax rate for diesel fuel will increase (as specified in Public Act 83-0012) from the current 7<> per gallon to:

- 13<> per gallon from August 1, 1983 through June 30, 1984;
- 14<> per gallon from July 1, 1984 through June 30, 1985;
- 15<> per gallon from July 1, 1985 and thereafter.

"Diesel Fuel" is defined in Public Act 83-12 as any petroleum product intended for use or offered for sale as a fuel for engines in which fuel is injected into the combustion chamber and ignited by pressure without electric spark. Those motor fuels known as diesel, dieselhol, kerosene and other motor fuels used in a diesel engine are within this definition and are subject to the above rates.

FILING YOUR QUARTERLY RETURNS (FORM IDR-280)

Since the new tax (5.2> per gallon) and the increase in the existing tax to 13<> per gallon become effective on different dates within the third quarter, a special worksheet (IDR-280-W) will be forwarded with

your third quarter return. By using this worksheet you will be able to report the total tax due for July at 12.7¢ per gallon and for August and September at 18.7¢ per gallon. The completion and attachment of this worksheet is essential for proper processing of your return. You will use the worksheet with your third quarter return only.

Beginning with the fourth quarter of 1983, you will receive revised returns showing the new rates. For your convenience we are providing a sample of the revised IDR-280 tax return on the reverse side.

If you need additional information or assistance, please contact the Excise Taxes Section at (217) 785-1397,

J. Thomas Johnson
Director of Revenue

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