

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

INFORMATIONAL BULLETIN FY84-18

TO: All Retailers of Gasohol

SUBJECT: Sales of Gasohol  
Public Act 83-950 (Senate Bill 149)

SALES TAX RATES ON SALES OF GASOHOL

If you do not sell gasohol, please disregard this bulletin. Effective December 1, 1983, sales of gasohol are exempt from the state sales tax. This exemption remains in effect through December 31, 1983. Beginning on January 1, 1984 and continuing through December 31, 1992, the state tax on gasohol will be at the rate of 1%. There are no changes to the local and mass transit district sales taxes. That is, sales of gasohol remain subject to local and mass transit district sales taxes.

"Gasohol" is defined as a fuel containing at least 10% alcohol which contains no more than 1.25% water by weight and is obtained from agricultural products or by-products and includes dieselhol.

HOW TO COMPLETE YOUR SALES TAX RETURN DECEMBER, 1983

In order to take both the deduction for motor fuel tax paid and the deduction for gasohol receipts, you should do the following in completing your sales tax return:

1. In Item 1 include all receipts, including receipts from the sale of gasohol.
2. In Item 2e show the number of gallons of motor fuel (including gasohol) at the applicable state (and local, if any) motor fuel tax rate and deduct the appropriate amount of motor fuel tax.
3. In Item 2j deduct 100% of gasohol receipts (including local and mass transit taxes collected, but minus motor fuel taxes).
4. In Item 16, 18, and/or 20a include the receipts from sales of gasohol. That is, you must ADD BACK in these items the deduction you took in Item 2j, less any local taxes included.

(See sample of return on reverse side.)

We will soon be sending you instructions for filing you January 1984 return.

In the event the 2% state tax was charged and collected after the effective date of the rate of change (December 1, 1983) reducing the

state tax rate to zero (0), this amount would be considered an overcollection of tax. You must report and remit this overcollection to the Department. However, you may subsequently file a claim for credit to recover the erroneously collected amount, providing you can prove you bore the burden of the tax by unconditionally refunding this amount to your customers.

REMINDER:

Federal excise taxes paid on diesel/dieselhol can be taken as a separate deduction by reporting the deduction, in Item 2k or 2l on sales tax return, at the rate of 9¢ per gallon. THIS DEDUCTION APPROPRIATE ONLY FOR DIESEL/DIESELHOL.

FOR MORE INFORMATION

Should you have any questions regarding the reporting of the sales tax deduction on gasohol, please contact the Department. If you are in Cook County, call (312) 641-2150. Persons elsewhere should call (217) 782-7897.

J. Thomas Johnson  
Director of Revenue

Issued: December 1983

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