

Illinois Department of Revenue
101 West Jefferson Street
Springfield, Illinois 62708

INFORMATIONAL BULLETIN FY85-21

TO: All Pre-Paid Sales Tax Collectors and Distributors,
Suppliers, and Other Resellers of Motor Fuel

SUBJECT: Recent Legislative and Administrative Changes

The purpose of this bulletin is to inform you of recent and soon-to-be-effective changes in the Illinois pre-paid sales tax. You may have received bulletins on some of these issues recently.

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REGISTRATION REQUIREMENTS

We have determined you do not have to register as a pre-paid sales tax collector if:

- You are licensed under the Illinois Motor Fuel Tax Law as a distributor or supplier
- You do not sell motor fuel to retailers for resale to consumers.

If you are registered as a pre-paid sales tax collector and, as a result of this change, qualify to discontinue your pre-paid sales tax registration, on your next pre-paid sales tax return (Form PST-1) check "Business Discontinued" and enter as the date the end of the month covered by that return.

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TAX ON INVOICED GALLONS

Public Act 83-1416 (house Bill 3069) had changed the tax base effective September 13, 1984. Previously you were required to pay the tax to the Department AFTER it was collected from your customers. Now you pay the tax based on the number of taxable INVOICED gallons.

We have revised the pre-paid sales tax return (Form PST-1) to reflect this change. We have included with this bulletin a copy. We will continue to send pre-addressed forms monthly.

Line 6 of the revised return should be used for reporting accounts receivable (Sales on which gallonage was previously reported but tax was not paid due to filing on the collections basis). If, however, you have been remitting tax on invoiced gallons, leave this line blank.

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TAX OVER \$10,000

Public Act 83-1416 requires four payments per month from taxpayers with

an average monthly tax of \$10,000 or more. Business affected by this change will be notified and should refer to INFORMATION BULLETIN FY85-19 for a detailed explanation. But here are some highlights:

1. This change is effective January 1, 1985.
2. Average monthly tax is based on the two preceding calendar quarters' returns.
3. Payments are due the 7th, 15th, 22nd and last of the month.
4. Each payment must be at least 22.5 percent of the final liability for that month.

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PENALTIES

Public Act 83-1416 gives the Department of Revenue the authority to take stern action against resellers who do not collect prepaid sales tax and those who do not give a Statement of Tax Paid (PST-2) to the purchaser or the Department. Failure to carry out these responsibilities may result in:

- Revocation of the motor fuel distributor or supplier license.
- Class 4 felony criminal charge if the amount due is \$300 or more; Class A misdemeanor if under \$300.

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STATEMENT OF TAX PAID (PST-2)

Orders for PST-2 forms can be expedited by sending your request to:

Illinois Department of Revenue
P.O. Box 3545
Springfield, IL 62708

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Should you have further questions, you may call us at (217) 782-7897 or, in Cook County, at (312) 641-2150; or write to:

Illinois Department of Revenue
P.O. Box 4098
Springfield, IL 62708

J. Thomas Johnson
Director of Revenue

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