

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

INFORMATIONAL BULLETIN FY86-37

TO: Licensed Motor Fuel Bulk Users, Distributors, and Suppliers

SUBJECT: Annual Bulk User Return

We have provided this bulletin to clarify the requirements of completing the annual bulk user return and to discuss some of the items that have accounted for many of the errors we have encountered on past returns. Please take a moment to look over the following items. They could save time for both you and your supplier later.

GENERAL

- Remember this return is due by April 15, 1986.
- Report your purchases of special fuel only. Special fuel includes diesel and all other "volatile and inflammable liquids capable of being used for generation of power in an internal combustion engine". IT DOES NOT INCLUDE GASOLINE. Please do not report gasoline purchases.
- Report purchases only of fuel delivered into storage facilities. DO NOT REPORT SERVICE STATION PURCHASES.

IDENTIFICATION AREA

- The period covered by this return is January 1, 1985 through December 31, 1985.
- "Bulk User Number" is the license number issued to you by the Department of Revenue (DOR). It is "BU" followed by one to five digits. Example: BU-123.

INFORMATION ON BULK PURCHASES

- Report each purchase (that is, each invoice) separately and in chronological order.
- "Name of seller" is the name of the business from which you made your purchase of special fuel for bulk storage. In no case should you enter your own name as the seller.

Bulk users may not sell fuel. If you wish to sell fuel, you must become licensed as a distributor (if you qualify) or supplier.

- "Address of receipt" is the address of the bulk storage tank into which the fuel on a particular invoice was delivered. If the fuel on a single invoice was delivered into tanks at different addresses,

list each address separately.

- "Seller's license number" is the motor fuel tax license number issued by DOR to the seller. The seller will be licensed as either a "distributor" or a "supplier." A distributor's number will be "D" followed by 3 or 4 digits. A supplier's number will be "S" followed by 3 or 4 digits. Example: D-123 or S-4567.
- "Invoiced gallons" are the gallons of special fuel which you purchased for bulk storage. If an invoice includes some gallons of diesel and some gallons of gasoline, enter only the gallons of diesel. If an invoice includes some diesel you bought tax paid and some you bought tax free (you must have a special permit to buy tax free), make a separate entry for the tax paid gallons and the tax free gallons.

NOTE: NOT ALL BULK USERS HOLD A PERMIT ALLOWING THEM TO PURCHASE SPECIAL FUEL FOR BULK STORAGE WITHOUT PAYING MOTOR FUEL TAX "UP FRONT". FOR AN EXPLANATION OF TAX FREE BULK STORAGE ("PERMIT STORAGE"), SEE "MORE ON PERMIT STORAGE."

- "P" stands for "permit storage." Place an "X" in this column for each bulk purchase which was delivered tax free into a tank used for storage of non-taxable fuel (i.e., fuel used off highway or off waterway). You may make such purchases only if you have a valid permit from us. THIS PERMIT IS IN ADDITION TO YOUR BULK USER'S LICENSE. Do not use this column unless you have such a permit.

NOTE: PLEASE BE SURE THE GALLONS SHOWN AS DELIVERED INTO THESE TANKS PER INDIVIDUAL INVOICE DO NOT EXCEED THE CAPACITY OF THE TANKS THEMSELVES.

If you forget to report that a purchase is for permit storage (i.e., if there is no "X" in the appropriate column), we may bill your supplier for taxes, penalty, and interest on that purchase. We may also bill your supplier if your return shows delivery into your permit storage tank in excess of the tank's capacity.

MORE ON "PERMIT STORAGE"

"Permit storage" is bulk storage:

- In which you store special fuel is used exclusively for non-taxable purposes (i.e., fuel used off highway or off waterway); and
- For which you have a valid permit issued by DOR which allows you to buy fuel this storage tank without paying motor fuel tax "up front."

We will issue this permit only if you can show you clearly segregate your taxable storage from your non-taxable storage. In practical terms, this means you have separate tanks for taxable and non-taxable use.

If you have a permit, please be sure delivery tickets showing delivery

into your permit storage tanks are clearly marked "delivered into non-highway use tanks." The tanks themselves should also be labeled "highway use" and non-highway use."

If you do not have a permit, you must pay tax on ALL your purchases of special fuel. If you eventually use your fuel for non-highway purposes, you may apply for a refund of the motor fuel tax you paid when the fuel was delivered into storage. Ask us for Form RMFT-11.

If you would like to apply for a permit, ask us for Form RMFT-64.

FOR MORE INFORMATION

If you have any questions or need more information regarding bulk storage of special fuel, please contact us using the address or telephone numbers on the front of this bulletin.

J. Thomas Johnson
Director of Revenue

Issued: December 1985

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