

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

INFORMATIONAL BULLETIN FY86-38

TO: Public Utility Revenue Registrants

SUBJECT: Changes to the Public Utilities Revenue Tax

Effective with meter readings on and after January 1, 1986, two new laws (Public Acts 84-307 and 84-1093) will change the tax rate and definition of gross receipts.

The tax rate will change from the current five percent gross receipts on electricity to five percent of gross receipts received from each customer or .32 cents per kilowatt-hour, whichever is less, as applied to each customer.

The definition of "gross receipts" will change to exclude the following services:

- Charge for electricity or electric service where the customer has not used any electricity.
- Charge for bad checks.
- Finance or credit charge, penalty or charge for delayed payment, or discount for prompt payment.
- Charges for reconnection of service or for replacement or relocation of facilities.
- Advances or contributions in aid of construction.
- Repair, inspection, or servicing of equipment located on the customer's premises.
- Leasing or rental of equipment, the leasing or rental of which is not necessary to distributing, furnishing, supplying, selling, or transporting electricity.
- Any sale to a customer if the taxpayer is prohibited by the U.S. or State Constitution, treaty, convention, statute, or court decision from recovering the related tax liability from the customer.
- Public utilities revenue tax (state and local) added to a customer's bill.

All other services - including charges for the transmission of electricity for an end-user - are INCLUDED in gross receipts.

Finally, there will be a change in when you must include "customer-owned amounts" (e.g., budget plan payments) in your gross receipts. On and after January 1, you must include these payments in the month that you apply such payments against a customer's actual charges. This will not necessarily be the month in which you receive the payment from your customer.

The Department will be revising the tax forms and will send you a supply in January.

If you have questions or need more information, please call or write. Phone numbers and an address are at the top of this bulletin.

J. Thomas Johnson
Director of Revenue

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