

■ Environmental Impact Fee for the Cleanup of Leaking Underground Fuel Storage Tanks

TO: Licensed Receivers of Motor Fuel, Aviation Fuel, Home Heating Oil, and Kerosene

Effective January 1, 1996, a new environmental impact fee of \$60 per 7,500 gallons will be imposed on the first sale or use of certain liquid petroleum products to pay for the cleanup of leaking underground storage tanks. These products include

- motor fuel (regardless of whether it is intended for use on public highways or waters),
- aviation fuel,
- home heating oil, and
- kerosene

Liquid petroleum gas is exempt from this fee.

The environmental impact fee (EIF) is a separate fee and is in addition to the motor fuel tax and the underground storage tank tax (UST).

Where do I report this fee?

You should report the environmental impact fee on Form RMFT-5-US, Underground Storage Tank Tax and Environmental Impact Fee Receiver Return, along with the underground storage tank tax.

We have made two significant changes to the return. Line 6 "Exempt sales in Illinois," has been expanded to include Line 6a, "Sales to railroad for direct rail operation," and Line 6b, "Sales to qualified air carriers." Line 15, "Gross tax and fee due" has been expanded to now include Line 15a, "Underground storage tank tax," Line 15b, "Environmental impact fee," and Line 15c, "Total gross tax and fee due." These changes were also made to the RMFT-5-US-X, Amended Return/Claim for Credit.

Since changes to the returns were necessary, be sure to use the correct return for the liability period you are filing. Liability periods beginning January 1, 1996, must be filed on the new returns with a revision date of 1/96. Filing an incorrect form may cause your return to be considered unprocessable, which may result in the assessment of penalty and interest.

Do I have to pay the EIF if I sell or use less than 7,500 gallons?

Yes. The fee is prorated on the total amount of gallons subject to the fee. To compute the amount you owe, you should divide the total gallons subject to the fee by 7,500 gallons and then multiply the result by \$60.

Are there new schedules to complete ?

There are no new schedules. However, we have made changes to Schedule LB, UST/EIF Exemption for Sales of Aviation Fuels, Kerosene, and Diesel Fuel, the schedule used to report exempt sales to qualified railroads and air carriers. If you make an exempt sale to a qualified air carrier, you will be required to indicate the name of the airport where the fuel was delivered.

What reportable sales are exempt from this fee?

The following sales are exempt from the fee and may be deducted on Form RMFT-5-US:

- sales to other licensed receivers,
- sales of diesel fuel used by certain registered rail carriers for direct railroad operations (*i.e.*, in locomotives),
- sales of aviation fuel and kerosene imported or received at O'Hare Airport or Midway Airport and sold to or used by air carriers that hold certificates of public convenience and necessity or foreign air carrier permits issued by the U.S. Department of Transportation, and
- sales made and delivered to customers outside Illinois.

Should I send separate checks for the tax and the fee?

No. The underground storage tank tax and the environmental impact fee are computed together on your RMFT-5-US. You should make your check payable to "Illinois Department of Revenue — UST/EIF."

If you also pay motor fuel tax, continue to submit a separate check with your Form RMFT-5, Motor Fuel Tax Return.

Questions?

If you have questions or need more information, please call or write us. Our telephone numbers and address are printed at the bottom of this bulletin.



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**FOR
INFORMATION...**

CALL: 217 782-2291

1 800 544-5304 TDD teletype device **for hearing impaired only**

WRITE: Illinois Department of Revenue, Motor Fuel Review and Correction, P.O. Box 19477, Springfield, IL 62794-9477
