



Temporary Sales Tax Rate on Motor Fuel Ends

Informational Bulletin

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Director of Revenue

For information
or forms...

- ◆ Call us at:
1 800 732-8866 or
217 782-3336
- ◆ Call our TDD
(telecommunications device
for the deaf) at:
1 800 544-5304
- ◆ Write us at:
Illinois Department of Revenue
P.O. Box 19044
Springfield, IL 62794-9044
- ◆ Visit our Web site at:
www.revenue.state.il.us
- ◆ Call
"Illinois Tax Fax," our
fax-on-demand service, at:
217 785-3400
- ◆ Call
our 24-hour
Forms Order Line at:
1 800 356-6302

To:

All Retailers and Distributors of Motor Fuel

Effective **January 1, 2001**, the temporary reduction in the tax rate for certain sales of motor fuel ends.

It will be necessary to adjust your cash registers and any computer programs you use so that, beginning on January 1, you will be collecting and paying the correct amount of tax.

The following two sections, one for retailers and one for distributors, explain how to collect and report the appropriate sales tax or prepaid sales tax.

To: Retailers

If you report retail sales of motor fuel on Form ST-1, Sales and Use Tax Return, those sales are once again subject to the general merchandise tax rate that we preprint on your Form ST-1 or Form ST-2, Multiple Site Form. Report your receipts on Line 4a and the tax due on Line 4b.

For purchases of motor fuel that are delivered to you on or after January 1, the rate of prepaid sales tax you owe your supplier is once again

- ◆ 3 cents per gallon for purchases of gasohol, and
- ◆ 4 cents per gallon for purchases of gasoline and special fuel.

How do I report payments I receive on or after January 1, for tax due on retail sales I made while the temporary tax rate was in effect?

If the original sale was subject to a tax rate that was in effect prior to the rate preprinted on your Form ST-1, you must report the receipts from that sale on Line 8a and the tax on Line 8b.

Note: Lines 8a and 8b are to be used only to report gross receipts subject to a previous tax rate (*i.e.*, your accounts receivable). No other use of this line is permitted.

Does this change impact the amount of gasohol receipts which are exempt or how to report them?

No, there is no change to the method you use to calculate the amounts for the gasohol receipts you report on Lines 1 through 3 of your Form ST-1 or Line 8 of your ST-1 Worksheet for Line 2.

The 30 percent (.30) portion of gasohol receipts, which are exempt, still must be deducted on your ST-1 Worksheet for Line 2. Tax remains due on the remaining 70 percent (.70) of your gasohol receipts.



To: Distributors

The rate of prepaid sales tax you must charge for the deliveries of motor fuel that you make on or after January 1, is once again

- ◆ 3 cents per gallon for the sales of gasohol, and
- ◆ 4 cents per gallon for the sales of gasoline and special fuel.

The correct rates are preprinted on Lines 5 and 6 of Form PST-1, Prepaid Sales Tax Return, and Lines 8b and 9b of Form PST-2, Prepaid Sales Tax Statement of Tax Paid.

How do I report payments I receive on or after January 1, for tax due on deliveries I made while the temporary tax rate was in effect?

When you file Form PST-1, you must, for processing purposes, attach a letter that clearly identifies the amount of receipts made at each rate for which you are reporting.

We need this information to determine proper reporting on Form PST-1. The current form does not have a line on which to show payments taxed at rates in effect prior to the rate preprinted on the form.

If you do not identify the amount of receipts for each rate, we may bill you for additional tax, penalty, and interest.
