



Illinois Gas Use Tax and Gas Revenue Tax Changes

Informational Bulletin

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For information  
or forms...

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- ◆ Visit our Web site at:  
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To: Natural Gas Distributors, Suppliers, and Purchasers

**Effective for bills issued on or after October 1, 2003,** Gas Use Tax will be imposed on the purchase of natural gas from outside of Illinois for use or consumption in Illinois.

Who is responsible for reporting and paying Gas Use Tax?

The delivering supplier collects, reports, and pays the Gas Use Tax to the Illinois Department of Revenue (IDOR) unless a customer elects to become a self-assessing purchaser and provides the delivering supplier with a copy of his certificate of registration. If the customer elects to become a self-assessing purchaser, he must report and pay the Gas Use Tax directly to IDOR.

What is a "delivering supplier"?

For the purposes of Gas Use Tax, a "delivering supplier" is any person who is in the business of "delivering" natural gas to persons for use or consumption (not for resale). If more than one supplier is involved in the delivery chain of natural gas to a purchaser, the "delivering supplier" is the last supplier in the delivery chain. A delivering supplier is required to register with IDOR.

What is a "self-assessing purchaser"?

For the purposes of Gas Use Tax, a "self-assessing purchaser" is any person who purchases natural gas from outside of Illinois for use or consumption in Illinois and who elects to pay the Gas Use Tax directly to IDOR.

Are there registration requirements for Gas Use Tax?

**Yes.** A self-assessing purchaser must register with IDOR by completing Form REG-10, Gas Use Tax Self-Assessing Purchaser Application. A self-assessing purchaser must continue to report and pay Gas Use Tax as a self-assessor for at least one year. If any information should change after Form REG-10 is submitted, a new Form REG-10 must be submitted. If there are no changes, a new Form REG-10 should be completed every five years to keep records current. Delivering suppliers must complete Form RPU-3, Utility Tax Application for Registration. If you are currently registered under the Gas Revenue Tax Act, you do not need to complete Form RPU-3.

What is the Gas Use Tax rate?

The Gas Use Tax rate is based on whether you are a delivering supplier or a self-assessing purchaser.

**Delivering suppliers:** The tax amount you must collect from each customer per month is 2.4 cents per therm of gas.

**Self-assessing purchaser:** The tax amount you pay directly to IDOR is 5 percent (.05) of the purchase price or 2.4 cents per therm of gas - whichever is less.

**Note:** "Purchase price" means the amount paid for the distribution, supplying, furnishing, sale, transportation, or delivery of gas.

How do I report and pay the Gas Use Tax?

You report and pay the Gas Use Tax using Form RG-1, Gas Tax Return. Unless we notify you otherwise, you must file Form RG-1 on or before the 15th day of the month following the month for which you are filing.

**Note:** Form RG-1 and Form RG-1-X, Amended Gas Tax Return, have been revised to include the Gas Use Tax.

Is there a discount for the collection of Gas Use Tax?

A delivering supplier who collects Gas Use Tax from their customers, may claim a collection discount on the amount of Gas Use Tax they collect if they timely report and pay the Gas Use Tax to IDOR.

Is there a discount for the collection of Gas Revenue Tax?

**No.**

May I file my Form RG-1 electronically?

**Yes.** You may file Form RG-1 electronically. You may also make payments by Electronic Funds Transfer (EFT). Visit our Website at [www.ILtax.com](http://www.ILtax.com) for more information.

As a delivering supplier, what records must I obtain and keep for self-assessing purchasers for Gas Use Tax?

You must obtain and keep a copy of the certificate of registration issued by IDOR as proof that they are self-assessing purchasers.

As a delivering supplier, what records must I obtain and keep for customers exempt from Gas Use Tax?

You must obtain and keep the completed original Form RG-61, Gas Use Tax Exemption Certificate, they provided you for your records.

Are there exemptions for Gas Use Tax?

**Yes.** There are six exemptions that apply **only** to Gas Use Tax. The exemptions are for natural gas used

- ◆ by governmental bodies or entities operated and organized exclusively for charitable, religious, or educational purposes who have been issued a tax exemption identification number by IDOR.
- ◆ in the production of electric energy. This does not include gas used in the general maintenance or heating of an electric energy production facility or other structures.
- ◆ in petroleum refinery operations.
- ◆ in liquefaction and fractionation processes that produce value-added natural gas by-products for resale.
- ◆ in the production of anhydrous ammonia and downstream nitrogen fertilizer products for resale.
- ◆ by a business located in an enterprise zone. The name of the enterprise zone in which the business is located is required on Form RG-61.

What do I do if one or more of these exemptions apply to me?

You must complete Form RG-61, Gas Use Tax Exemption Certificate, and give it to your delivering supplier.

If any of the information you provide on Form RG-61 changes, you must complete a new Form RG-61. If no changes are required, you should complete a new Form RG-61 every five years to keep records current.

If I am exempt from Gas Use Tax, am I also exempt from charges by my utility for Gas Revenue Tax?

**No.** You must continue to pay charges by your utility for Gas Revenue Tax.

Are there changes to Gas Revenue Tax deductions?

**Yes.** Beginning October 1, 2003, a deduction may not be taken for any charges for gas or gas services to a customer who acquired contractual rights for the direct purchase of gas or gas services originating from an out-of-state supplier or source on or before March 1, 1995.

Are there any other changes?

**Yes.** For returns due on or after July 1, 2003, you may be assessed a cost of collection fee if you do not pay the amount you owe within 30 days after you receive an assessment. If the unpaid amount is less than \$1,000, the fee is \$30; if the amount is \$1,000 or more, the fee is \$100.