



# *i*nformational

## *Bulletin*

David Harris, Director

## Changes to County Motor Fuel Tax Law

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This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

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### **To: All Registered Illinois Retailers Selling Motor Fuel in DuPage, Kane, Lake, McHenry, and Will Counties**

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For information or forms  
Visit our website at:  
[tax.illinois.gov](http://tax.illinois.gov)

Call us at:  
1 800 732-8866 or  
217 782-3336

Call our TDD  
(telecommunications device  
for the deaf) at:  
1 800 544-5304

Public Act 101-32, effective June 28, 2019, amends the County Motor Fuel Tax Law, 55 ILCS 5/5-1035.1, allowing Lake and Will Counties to impose a County Motor Fuel Tax on retail sales of motor fuel in those counties. P.A. 101-32 also increases the initial maximum tax rate that can be imposed from four cents per gallon to eight cents per gallon and provides that the rate may not be less than four cents per gallon. Finally, P.A. 101-32 requires the Illinois Department of Revenue (IDOR) to determine an annual rate increase to take effect on July 1 of each year.

### **Will the Counties of Lake and Will have a County Motor Fuel Tax immediately?**

No. P.A. 101-32 will have no immediate effect in Lake or Will Counties. Before the County Motor Fuel Tax can take effect in one of those counties, the county board must adopt an ordinance or resolution imposing the tax at an initial rate of not less than four cents per gallon and not exceeding eight cents per gallon of motor fuel sold at retail within the county. IDOR then will begin administering the tax for the county on the first day of the second calendar month after the county files the ordinance or resolution with IDOR.

### **Will this change to the County Motor Fuel Tax Law have any immediate effect in DuPage, Kane, or McHenry Counties?**

No. P.A. 101-32 also will have no immediate effect in DuPage, Kane, or McHenry Counties, the counties where the County Motor Fuel Tax has been in effect for years. The Act does allow DuPage, Kane, and McHenry Counties to pass an ordinance or resolution changing the current four cents per gallon County Motor Fuel Tax they impose to an amount not exceeding eight cents per gallon of motor fuel sold at retail within the county. Such a change in rate is subject to the same implementation schedule by IDOR as a new ordinance or resolution. IDOR would begin administering the tax for the county at the new rate on the first day of the second calendar month after the county files the ordinance or resolution with IDOR.

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### **Will IDOR notify the public of any County Motor Fuel Tax changes occurring in DuPage, Kane, McHenry, Lake, or Will Counties?**

Yes. IDOR will release a bulletin to notify the public should Lake or Will County enact an ordinance or resolution to impose the County Motor Fuel Tax. Similarly, IDOR will release a bulletin should DuPage, Kane, or McHenry County pass an ordinance or resolution to change the rate of County Motor Fuel Tax they impose. These bulletins will be distributed to motor fuel retailers in the county and be available on IDOR's website at [tax.illinois.gov](http://tax.illinois.gov).

### **What sales are subject to the County Motor Fuel Tax?**

The County Motor Fuel Tax Law allows DuPage, Kane, Lake, McHenry, and Will Counties to impose a tax in the county on sales of motor fuel at retail within the county for the operation of motor vehicles upon public highways or for the operation of recreational watercraft upon waterways. The sales must be for the purchaser's use or consumption and not for the purpose of resale.

### **Did P.A. 101-32 make any other changes that affect the County Motor Fuel Tax rate?**

Yes. Beginning June 2020, and continuing each subsequent year, P.A. 101-32 requires IDOR to determine an annual rate increase to take effect on July 1 of that year and continue through June 30 of the next year. IDOR must publish by June 1 of each year on its website at [tax.illinois.gov](http://tax.illinois.gov) the rate that will take effect on July 1 of that year. The rate must be rounded to the nearest one-tenth of one cent, and each new rate may not exceed the rate in effect on June 30 of the previous year plus one cent.

### **Where can I verify the rates of County Motor Fuel Tax I should be collecting?**

IDOR's website at [tax.illinois.gov](http://tax.illinois.gov) is the best resource for up-to-date tax information. Use the Tax Rate Database on our website to look up rates for County Motor Fuel Tax and other taxes. IDOR also posts rate change bulletins on its website and sends notifications of rate change bulletins as messages in MyTax Illinois, available at [mytax.illinois.gov](http://mytax.illinois.gov). Taxpayers electronically filing Form CMFT-1, County Motor Fuel Tax Return, using MyTax Illinois will have the rates populated for them based on the addresses where they make retail sales of motor fuel.