



RUT-7-A Instructions

General Information

What is the purpose of Form RUT-7-A?

Form RUT-7-A, Rolling Stock Certification for Aircraft, Watercraft, Limousines, and Rail Carrier Items, allows a purchaser to certify to the seller that the purchaser is allowed an exemption from Sales and Use Tax on aircraft, watercraft, limousines, and rail carrier items that are utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce.

What is the difference between Form RUT-7-A and Form RUT-7?

Use Form RUT-7-A to claim a rolling stock exemption on qualified purchases of aircraft, watercraft, limousines, and rail carrier items. Also use Form RUT-7-A to claim a rolling stock exemption on repair and replacement parts for aircraft, watercraft, limousines, and rail carrier items.

Use Form RUT-7, Rolling Stock Certification for Motor Vehicles and Trailers (and Repair and Replacement Parts) Purchased on or after August 24, 2017, to claim a rolling stock exemption on purchases of certain motor vehicles and trailers, if the motor vehicle or trailer was purchased on or after August 24, 2017. Also use Form RUT-7 to claim a rolling stock exemption for purchases on or after August 24, 2017, of repair and replacement parts for motor vehicles and trailers.

Note: Contact the Illinois Department of Revenue at **1 800 732-8866** or **217 782-3336** if you need to document the purchase of a motor vehicle or a trailer made before August 24, 2017, or the purchase of repair and replacement parts for motor vehicles and trailers made before August 24, 2017.

Who may claim the exemption?

To claim a rolling stock exemption, you must be an owner, lessor, or shipper purchasing tangible personal property that will be utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce.

May a lessor claim the exemption?

Yes. Purchasers who will be leasing the tangible personal property may claim the exemption, provided it will be utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce.

How do I document the exemption?

To document the rolling stock exemption, you must properly complete Form RUT-7-A and, for aircraft, watercraft, and limousines, indicate the method by which the item purchased qualifies for the rolling stock exemption.

You must identify which method will be used — trips or miles — at the time of purchase and document your choice on Form RUT-7-A. If you do not choose an option, you will be deemed to have chosen the miles method. You must use the aircraft, watercraft, or limousine in a qualifying manner under the chosen method for each consecutive 12-month period. If you do not, the exemption will be revoked and applicable tax, penalties, and interest will be due.

The total trips or miles for which persons or property are carried for hire between points in Illinois may be used to qualify for the exemption if the journey or shipment originates or terminates outside Illinois. For aircraft, flight hours may be used in lieu of miles in determining whether the aircraft meets the mileage test. For watercraft, nautical miles or trip hours may be used in lieu of miles in determining whether the watercraft meets the mileage test.

Aircraft and **watercraft** must carry persons or property for hire in interstate commerce for more than 50 percent of its total **trips or miles/hours** in a 12-month period.

Limousines must carry persons or property for hire in interstate commerce for more than 50 percent of its total **trips or miles** in a 12-month period.

Rail carrier items must be used as rolling stock to haul persons or commodities for hire in interstate commerce on a regular and frequent basis.

If you make fleet purchases and will not use the same qualifying method, a separate Form RUT-7-A must be completed for each aircraft, watercraft, or limousine since the election is on a per item basis. Keep a copy in your records to verify your election.

What does *not* qualify for the exemption?

Only those items specifically used as rolling stock *may* qualify for the exemption. For example, items do **not** qualify for use as rolling stock when they are used only

- to transport company officers, employees, customers or others not for hire (even if the persons cross state lines); or
- to transport property a business owns or is selling and delivering to customers (even if the items cross state lines).

When is the Form RUT-7-A due?

A purchaser claiming the rolling stock exemption on an aircraft, watercraft, limousine, or rail carrier item should provide to the seller a signed, properly completed Form RUT-7-A at the time of sale. Both the purchaser and seller should keep a copy in their records to document the exemption.

Are there other returns that must be filed?

When an aircraft, watercraft, or limousine qualifying for the rolling stock exemption is sold by an Illinois dealer, the dealer reports the sale using Form ST-556, Sales Tax Transaction Return, or Form ST-556-LSE, Transaction Return for Leases.

When an aircraft, watercraft, or limousine is purchased from an out-of-state dealer, the purchaser reports the sale using Form RUT-25, Vehicle Use Tax Transaction Return, or Form RUT-25-LSE, Use Tax Return for Lease Transactions.

When a limousine is purchased (or is acquired by gift or transfer) from an individual or other private party, the purchaser reports the sale using Form RUT-50, Private Party Vehicle Tax Transaction.

General Information (continued)

When an aircraft or watercraft is purchased (or is acquired by gift or transfer) from an individual or other private party, the purchaser reports the sale using Form RUT-75, Aircraft/Watercraft Use Tax Transaction Return.

Sales of rail carrier items or repair and replacement parts are reported by retailers using Form ST-1, Sales and Use Tax and E911 Surcharge Return.

What if I need help?

If you need help, call us at **1 800 732-8866** or **217 782-3336**, call our TDD-telecommunications device for the deaf at **1 800 544-5304**, or visit our website at **tax.illinois.gov**.

Specific Instructions

Step 1: Identify the purchaser

Enter the name, address, and telephone number of the purchaser. If the purchaser is a lessor who will lease the item, proceed to Step 2. If the item is not being purchased for purposes of a lease, proceed directly to Step 3.

Step 2: If the purchaser is a lessor, identify the lease customer

If the purchaser is a lessor, enter the name, address, and telephone number of the lease customer. Complete Step 2 only if the purchaser is a lessor who will lease the item to an interstate carrier for hire who will use the item under lease as rolling stock in interstate commerce; otherwise skip Step 2 and proceed directly to Step 3.

Step 3: Describe the purchase

Enter the date the item was purchased. Also, enter the year, make, model, and the appropriate identification number for the item (*i.e.*, vehicle identification number (VIN) for limousines; hull identification number (HIN) for watercraft; aircraft identification number (N) for aircraft; or other identification number for rail carrier items).

For repair and replacement parts, you must provide a description of items purchased.

Step 4: Indicate how this certification is being used

For limousines, aircraft, and watercraft, you must indicate the method by which the item purchased qualifies for a rolling stock exemption (*i.e.*, more than 50 percent of its total trips or miles in a 12-month period for limousines; or more than 50 percent of its total trips or miles/hours in a 12-month period for aircraft or watercraft).

If you have been issued a certificate of authority number authorizing you to operate as a carrier for hire, enter that number.

For rail carrier items, mark the box to indicate that the purchase qualifies for the rolling stock exemption.

For repair and replacement parts, select either **a** or **b** under either **Single purchase** or **Blanket certification** to indicate whether the full purchase is exempt or whether a percentage of the purchase is exempt. If **b** is selected, enter the percentage of the purchase that qualifies or will qualify for a rolling stock exemption. Blanket certifications expire after three years.

Step 5: Certification

The individual making the purchase must sign and date the certification, print his or her signed name, and as appropriate, provide the purchaser's business name.