



RUT-7 Instructions

General Information

What is the purpose of Form RUT-7?

Form RUT-7, Rolling Stock Certification for Motor Vehicles and Trailers (and Repair and Replacement Parts) Purchased on or after August 24, 2017, allows a purchaser to certify to the seller that the purchaser is allowed an exemption from Sales and Use Tax on certain motor vehicles and trailers 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 and Form RUT-7-A?

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 on repair and replacement parts for motor vehicles and trailers purchased on or after August 24, 2017.

Use Form RUT-7-A, Rolling Stock Certification for Aircraft, Watercraft, Limousines, and Rail Carrier Items, 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.

Note: Contact the Illinois Department of Revenue at **1 800 732-8866** or **217 782-3336** (or call **1 800 544-5304** for TDD-telecommunications device for the deaf) if you need to claim a rolling stock exemption on the purchase before August 24, 2017, of a motor vehicle or a trailer or repair and replacement parts for motor vehicles and trailers.

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.

To qualify for the rolling stock exemption,

- the motor vehicle or trailer must be used to transport persons or property for hire,
- the purchaser must certify that the motor vehicle or trailer will be utilized by an interstate carrier for hire who holds an active USDOT number with the carrier operation listed as “interstate” and the operation classification listed as “authorized for hire,” “exempt for hire,” or both “authorized for hire” and “exempt for hire,” * and
- for motor vehicles, the gross vehicle weight rating must exceed 16,000 pounds.

* The second item above does not apply to a motor vehicle or trailer used at an airport to support the operation of an aircraft moving in interstate commerce, as long as the motor vehicle or trailer otherwise qualifies under the above criteria.

May a lessor claim the exemption?

Yes. Purchasers who will be leasing a motor vehicle or trailer may claim the exemption, provided the criteria outlined above in “Who may claim the exemption?” are met.

What if the item does not continue to be used as rolling stock?

The tax exemption will last as long as the motor vehicle or trailer continues to be used to transport persons or property for hire. When the motor vehicle or trailer no longer continues to be used as rolling stock, including no longer being leased for use as rolling stock, the purchaser must pay Use Tax on the selling price, allowing for a reasonable depreciation for the period during which the item qualified for the exemption.

Use tax must be paid directly to the Illinois Department of Revenue on or before the last day of the calendar month following the month in which the item is no longer used as rolling stock. For more information regarding Use Tax, visit our website at tax.illinois.gov or call us at **217 782-3336** or **1 800 732-8866**.

How do I document the exemption?

To document the rolling stock exemption, you must properly complete Form RUT-7, including providing the USDOT number. A purchase that otherwise meets the requirements for exemption will only qualify if the purchaser can supply an active USDOT number of the interstate carrier with the carrier operation listed as “interstate” and the operation classification listed as “authorized for hire,” “exempt for hire,” or both (except for motor vehicles or trailers used at an airport to support the operation of an aircraft moving in interstate commerce).

Note: Motor vehicles and trailers (and repair and replacement parts) purchased before August 24, 2017 (*i.e.*, the date P.A. 100-321 became effective) do not qualify for a rolling stock exemption under this method. Instead, purchasers must certify the exempt purchase using either the total trips or total miles method. See the note under “What is the difference between Form RUT-7 and Form RUT-7-A?” above.

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).

In addition, even if the motor vehicle or trailer is used for hire and exceeds 16,000 pounds (for motor vehicles), it cannot be purchased exempt unless the interstate carrier holds the proper USDOT credentials (*i.e.*, a USDOT number with a Carrier Operation of “Interstate” and an Operation Classification of “authorized for hire,” “exempt for hire,” or both).

General Information (continued)

When is the Form RUT-7 due?

A purchaser claiming the rolling stock exemption on a motor vehicle or trailer should provide to the seller a signed, properly completed Form RUT-7 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 a motor vehicle or trailer 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 a motor vehicle or trailer 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 motor vehicle or trailer 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.

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

For purchases of aircraft, watercraft, limousines, and rail carrier items, see Form RUT-7-A instructions.

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, also complete 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, and check the applicable box to indicate whether the item purchased is a motor vehicle or trailer or repair and replacement parts for a motor vehicle or trailer.

For purchases of motor vehicles and trailers, enter the year, make, model, and the vehicle identification number (VIN) for the motor vehicle or trailer purchased.

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

Step 4: Confirm that the purchase qualifies for the rolling stock exemption

Whether you are purchasing a motor vehicle or trailer or repair and replacement parts for a motor vehicle or trailer, check each box to confirm that this purchase meets the criteria to qualify for the rolling stock exemption. You must provide the carrier's active USDOT number and indicate whether the carrier's Operation Classification is listed as "authorized for hire," "exempt for hire," or both.

For purchases of repair and replacement parts, you must also select either **1** or **2** 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 **2** is selected, enter the percentage of the purchase that qualifies or will qualify for a rolling stock exemption. Blanket certifications expire after three years.

Note: Purchases of repair or replacement parts on or after August 24, 2017, are exempt only if they meet the current test for exemption, regardless of when the motor vehicle or trailer was purchased.

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.