

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 130 Section 130.111 Sale of Used Motor Vehicles, Aircraft, or Watercraft by Leasing or Rental Business</b>
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**TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 130  
RETAILERS' OCCUPATION TAX**

**SUBPART A: NATURE OF TAX**

**Section 130.111 Sale of Used Motor Vehicles, Aircraft, or Watercraft by Leasing or Rental Business**

- a) Any person engaged in the business of leasing or renting motor vehicles, aircraft or watercraft, to others and who, in connection therewith, sells any used motor vehicle, aircraft or watercraft, to a purchaser or lessor for use and not for resale is a retailer selling tangible personal property at retail to the extent of the value of the vehicle, aircraft, or watercraft sold.
  
- b) For purposes of this Section, "motor vehicle" has the meaning prescribed in Section 1-157 of the Illinois Vehicle Code [625 ILCS 5/1-157]. "Motor vehicle" means a motor vehicle of the First Division, including a multipurpose passenger vehicle that is designed for carrying not more than 10 persons.
  
- c) For purposes of this Section, *"aircraft" means any device used or designed to carry humans in flight as specified by the Department of Transportation by rule. (See 92 Ill. Adm. Code 14.105.) All devices required to be licensed as "aircraft" by the Federal Aviation Administration (FAA) are "aircraft".* [620 ILCS 5/3]
  
- d) For purposes of this Section, "watercraft" has the meaning prescribed in Section 15-5 of the Watercraft Use Tax Law [625 ILCS 158/15-5]. "Watercraft" means any watercraft 16 feet or greater in length, except kayaks and canoes. "Watercraft" includes any "personal watercraft" as defined in Section 1-2 of the Illinois Boat Registration and Safety Act [625 ILCS 45/1-2]. An example of a "personal watercraft" is a jet ski, regardless of its size or length.

(Source: Amended at 29 Ill. Reg. 7004, effective April 26, 2005)