



Illinois Department of Revenue

Informational Bulletin

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For information or forms...

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- Call our 24-hour
Forms Order Line at:
1 800 356-6302

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

Rolling Stock Exemption Changes

To:

All limousine purchasers who will claim the rolling stock exemption and retailers who must document the exemption

Effective **August 28, 2007**, limousines used in interstate commerce may now qualify for the rolling stock exemption under Illinois Sales and Use Tax.

How is "limousine" defined?

For the purpose of this bulletin, "limousine" is defined as any privately owned first division vehicle intended to be used for transportation of persons for-hire when payment is not based on a meter charge, but is prearranged for a designated destination (625 ILCS 5/1-139.1.)

What are the requirements for a limousine to qualify for the rolling stock exemption?

A **limousine** must carry for hire, persons or property, in interstate commerce for either

- more than 50 percent of its total **trips** in a 12-month period, or
- more than 50 percent of its total **miles** in a 12-month period.

What qualifies as trips or miles in interstate commerce?

Trips or mileage of limousines for which persons or property are carried for hire just between points in Illinois may be used to qualify for the exemption if the journey of the passenger or shipment of the property either originates or terminates outside Illinois.

How do I document the qualifying method?

At the time of purchase you must identify which qualifying method, trips or miles, you will use and report that choice to us on the required tax return. You must use the limousine in a qualifying manner for each consecutive 12-month period from the initial title or registration date, whichever is later. If you do not, the exemption will be revoked and applicable tax, penalty, and interest will be due. Once made, the qualifying method cannot be changed.

If you do not identify which qualifying method you will use, you will be deemed to have chosen the mileage method.

Note: You do not have to use the same qualifying method for each limousine.



How do I document the exemption?

Sellers of limousines at retail must retain a copy of Form RUT-7, Rolling Stock Certification. This form is completed by the purchaser. Do not send the Form RUT-7 to the department. Keep the copy in your books and records. We have revised the Form RUT-7 to provide for the changes.

Purchasers of limousines must maintain sufficient documentation in their books and records to indicate their qualifying use. This includes but is not limited to log books, bills of lading, passenger, and destination lists.

How do I report titled and registered sales?

When the item qualifying as rolling stock

- is sold by an Illinois dealer, it must be reported on Form ST-556, Sales Tax Transaction Return.
- is purchased from an out-of-state dealer, it must be reported on Form RUT-25, Use Tax Transaction Return.
- is purchased (or acquired by gift or transfer) from an individual or other private party, on Form RUT-50, Vehicle Use Tax Transaction Return.

How do I report repair and replacement parts sales?

Repair and replacement parts sold by a retailer must be reported on Form ST-1, Sales and Use Tax Return.