



# PST-1 Instructions (for reporting periods up to, and including, December 2023)

## General Information

### What is prepaid sales tax?

“Prepaid sales tax” is a tax that you (a distributor of motor fuel) must collect on the motor fuel you sell for resale to a retailer who is not also an Illinois licensed motor fuel distributor or a supplier of diesel and dieselhol.

### What rate of tax should I collect?

If you file electronically using MyTax Illinois, the rates will be populated for you. You can also use the Tax Rate Database on our website at [tax.illinois.gov](http://tax.illinois.gov) to determine the current rate. Rates are published on our website at least 20 days prior to January 1 and July 1 each year.

**Note:** Effective July 1, 2017, and through December 31, 2023, gasohol (*i.e.*, motor fuel containing no more than 90 percent gasoline and at least 10 percent denatured ethanol) is taxable at the rate established for motor fuel. Prior to July 1, 2017, gasohol was taxed the same as biodiesel blends with no less than 1 percent and no more than 10 percent biodiesel.

### Who must file Form PST-1?

If you are engaged in the business of selling motor fuel to retailers, you must file Form PST-1 and pay the tax you have collected. You must attach to your Form PST-1 a copy of Form PST-2, Statement of Tax Paid, for each retail sale made during the liability period.

### What is Form PST-2?

Form PST-2 is a four-part form, which allows the department to verify that the information reported by retailers and resellers matches. The retailer is required to file Copy A with Form ST-1 and keep Copy B as a file copy. The reseller is required to file Copy C with Form PST-1 and keep Copy D as a file copy.

### When must I file Form PST-1?

You must file this return along with any payment you owe, on or before the 20th day of the month following the end of the liability period.

**Note:** If the due date falls on a weekend or holiday, your return and payment are due the next business day.

### Can I file this return and pay the tax due electronically?

Yes, you can use MyTax Illinois on our website at [tax.illinois.gov](http://tax.illinois.gov) to file your Form PST-1. MyTax Illinois also allows for electronic payment of any tax due.

### What is motor fuel?

For the purposes of this form, “motor fuel” means all volatile and inflammable liquids (*e.g.*, gasoline, gasohol, diesel fuel) that are produced, blended, or compounded for the purpose of, or which can be used for, operating motor vehicles.

**Note:** Aviation fuel and liquid propane gas are not subject to the prepayment requirement found in the Retailers’ Occupation Tax Act. You should not report the sales of these products on Form PST-1.

### Are there any types of fuel for which I am not required to remit prepaid sales tax?

Yes. Through December 31, 2023, the following types of motor fuel are exempt from sales tax and are therefore not subject to prepaid sales tax requirements:

- **Majority blended ethanol fuel** — “Majority blended ethanol fuel” is motor fuel that contains not less than 70 percent and no more than 90 percent denatured ethanol, and not less than 10 percent and no more than 30 percent gasoline.
- **100 percent biodiesel** — “Biodiesel” is a renewable diesel fuel derived from biomass (*i.e.*, a non-fossil organic material such as soybean oil, other vegetable oils, or ethanol, that has an intrinsic chemical energy content) that is intended for use in diesel engines.
- **Qualifying biodiesel fuel blends** — “Biodiesel blend” is a blend of biodiesel and petroleum-based diesel fuel in which the final product contains no less than 1 percent and no more than 99 percent biodiesel. **Note:** Only biodiesel blends with more than 10 percent but no more than 99 percent biodiesel are exempt from prepaid sales tax requirements. If the biodiesel blend is at least 1 percent but no more than 10 percent biodiesel, you must collect and report prepaid sales tax.

### What if I need help?

Visit our website at [tax.illinois.gov](http://tax.illinois.gov) or call weekdays between 8 a.m. and 5 p.m. at **1 800 732-8866** or **217 782-3336**. Call **1 800 544-5304**, our TDD (telecommunications device for the deaf).

## Specific Instructions

### Step 1: Figure your gallonage information

**Line 1** - Enter the total number of gallons of motor fuel, including gasohol, you sold, delivered, or transferred during this period. Include deliveries that you made to your company-owned outlets.

**Line 2e** - If the organization is a retailer of motor fuel, you may not deduct the gallons sold.

**Line 2f** - Enter the number of gallons you sold to out-of-state retailers who take delivery in Illinois and certify that they will always resell and deliver the fuel to their customers outside Illinois.

**Line 2g** - Enter the total gallons of majority blended ethanol fuel, 100 percent biodiesel fuel, or biodiesel fuel blends (with more than 10 percent but no more than 99 percent biodiesel) that you sold.

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## Specific Instructions

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**Line 2h** - Enter the total gallons you sold to customers other than retailers. Include deliveries made to your company-owned (and not leased) outlets. Do not include amounts reported on Lines 2a through 2g.

**Line 4a** - Enter the total number of gallons of biodiesel blends (1% - 10%) subject to prepaid sales tax for this reporting period. For periods ending June 30, 2017, and prior, also include gallons of gasohol subject to prepaid sales tax. This is the total from Line 8a of the PST-2 forms you attached.

**Line 4b** - Enter the total number of gallons of motor fuel subject to prepaid sales tax for this reporting period. For periods ending after July 1, 2017, also include gallons of gasohol subject to prepaid sales tax. This is the total from Line 9a of the PST-2 forms you attached.

### Step 2: Figure your payment due

**Line 8** - Enter the total amount of quarter-monthly payments you have made. Include both cash and credit memoranda payments made on Form PST-3, Prepaid Sales Tax Quarter-monthly Payment.

**Line 9** - If we have notified you that you have a credit and you wish to use it towards what you owe, enter the amount you are using here.

**Line 11** - Subtract Line 10 from Line 7. Enter the result on Line 11. This is the amount due.

### Step 3: Sign below

An owner, partner, officer, or authorized agent of the business must sign the return.

### Penalty and Interest Information

You owe a **late filing penalty** if you do not file a processable return by the due date, a **late payment penalty** if you do not pay the amount you owe by the original due date of the return or were required to make quarter-monthly payments and failed to do so, a **bad check penalty** if your remittance is not honored by your financial institution, and a **cost of collection fee** if you do not pay the amount you owe within 30 days of the date printed on a notice or bill. For more information, see Publication 103, Penalties and Interest for Illinois Taxes, which is available on our website at [tax.illinos.gov](http://tax.illinos.gov).