

ILLINOIS REGISTER

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DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Municipal Motor Fuel Tax
- 2) Code Citation: 86 Ill. Adm. Code 696
- 3) Section Number: 696.105                      Proposed Action: Amendment
- 4) Statutory Authority: Implementing the Illinois Municipal Code [65 ILCS 5/8-11-2.3].
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking implements the provisions of P.A. 103-592 that impose a \$1,000-per-month cap, effective January 1, 2025, on the discount retailers may claim when remitting Municipal Motor Fuel Tax as reimbursement for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request (“vendor’s discount”). The corresponding returns on which the vendor’s discount is capped at \$1,000 per month are Form MMFT-1.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: These rules do not create or enlarge a mandate as described in Section 3(b) of the State Mandates Act.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Samuel J. Moore  
Illinois Department of Revenue

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Legal Services Office  
101 West Jefferson  
Springfield, Illinois 62794  
REV.GCO@illinois.gov  
(217) 782-7055

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: Retailers who report monthly sales of less than 1,904,761 gallons of motor fuel at a 3 cents per gallon tax rate are not affected.
  - B) Reporting, bookkeeping or other procedures required for compliance: Basic accounting and computer skills.
  - C) Types of professional skills necessary for compliance: Basic accounting and computer skills.
- 14) Small Business Impact Analysis:
- A) Types of businesses subject to the proposed rule:  
  
44-45 Retail Trade
  - B) Categories that the agency reasonably believes the rulemaking will impact, including:
    - ii. regulatory requirements;
    - iii. purchasing;
    - viii. record keeping
- 15) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not included on either of the two most recent agendas because the vendor's discount cap legislation did not amend the Municipal Motor Fuel Tax Law directly. However, the vendor's discount cap provisions in the Retailers' Occupation Tax Act are incorporated into the County Motor Fuel Tax Law. See [65 ILCS 5/8-11-2.3].

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The full text of the Proposed Amendment begins on the next page:

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**Section 696.105 Registration and Returns**

- a) **Separate Registration Not Required**  
A retailer's registration under the Illinois Retailers' Occupation Tax Act is sufficient for the Municipal Motor Fuel Tax Law. No special registration for the Law is required.
  
- b) **Requirements as to Returns**
  - 1) The information required for the Law shall be furnished on the return form prescribed by the Department.
  
  - 2) On or before the twentieth day of each calendar month, every person engaged in the business of selling motor fuel, as defined in the Motor Fuel Tax Law, at retail in a municipality in Cook County that has adopted an ordinance imposing the tax under this Part for the operation of motor vehicles upon public highways or for the operation of recreational watercraft upon waterways during the preceding calendar month shall file a return with the Department for that preceding month, stating the name of the seller; the seller's address; the address of the principal place of business (if that is a different address) from which he or she is engaged in the business of selling that motor fuel at retail; total gallons of motor fuel sold; deductions allowed by law; and amount of tax due. Beginning with returns due on or after January 1, 2025, the vendor's discount allowed under the Municipal Motor Fuel Tax Law to reimburse the taxpayer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax, and supplying data to the Department on request shall not exceed \$1,000 per month.
  
  - 3) If the retailer files his or her Illinois Retailers' Occupation Tax returns on the gross receipts basis, he or she must report Municipal Motor Fuel Tax information in his or her returns on the same basis. If the retailer files his or her Illinois Retailers' Occupation Tax returns on the gross sales basis, he or she must report Municipal Motor Fuel Tax information in his or her returns on the gross sales basis.

(Source: Amended at 49 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)