



## Illinois Department of Revenue

Legal Services Office  
101 W. Jefferson St. MC 5-500  
Springfield, IL 62794

### SECOND NOTICE OF PROPOSED RULEMAKING

- 1) Agency: Illinois Department of Revenue
- 2) Title and Ill. Adm. Code Citation of Proposed Rulemaking: Automobile Renting Use Tax, 86 Ill. Adm. Code 190
- 3) Date, Issue, and page number of the Illinois Register in which the First Notice was published: 48 Ill. Reg. 14922; October 18, 2024
- 4) Text and Location of any Changes Made to the Proposed Rulemaking During the First Notice Period: No changes were made to the proposed rulemaking during the first notice period.
- 5) Final Regulatory Flexibility Analysis:
  - A. Summary of the issues raised by affected small businesses during the First Notice Period: No issues were raised by small businesses.
  - B. Description of actions taken on any alternatives to the proposed rule suggested by small businesses during the First Notice Period, including reasons for rejecting alternatives not utilized: No alternatives to the proposed rule were suggested by small businesses during the first notice period.
- 6) Analysis of the Economic and Budgetary Effects of the Proposed Rulemaking: See attached.
- 7) Response to Recommendations Made by the Administrative Code Division for Changes in the Rule to Make It Comply with the Codification Scheme: All changes requested by the Administrative Code Division have been made.
- 8) Evaluation of the comments received by the agency from interested persons during the first notice period (but not including any questions raised by the Joint Committee in a preliminary review) including:
  - A. Date of any public hearing held during the first notice period. Name of the person or group requesting a hearing: No public hearing requested.

- B. The names and addresses of all individuals or groups making comments or requesting the opportunity to make comments: No comments or requests for the opportunity to make comments were received.
  - C. A list of all specific criticisms and suggestions raised in the comments: No criticisms or suggestions were received.
  - D. The agency's evaluation of each of the specific criticisms and suggestions: No criticisms or suggestions were received.
  - E. A statement that the agency has considered all comments received during the first notice period: No criticisms were received during the first notice period.
- 9) An analysis of the expected effects of the proposed rulemaking, including:
- A. Impact on the public: The rulemaking amends 86 Ill. Adm. Code 190, the Automobile Renting Use Tax rules, to reflect changes enacted by Public Act 103-520, effective January 1, 2024. Public Act 103-520 excludes peer-to-peer car sharing, as defined in Section 5 of the Car-Sharing Program Act (815 ILCS 312), from the Automobile Renting Use Tax if tax due on the automobile under the Retailers' Occupation Tax or Use Tax Act was paid either upon the purchase of the automobile or when the automobile was brought into Illinois. This rulemaking also clarifies existing text, updates citations, and adds a new section on administration and enforcement of the Act.
  - B. Changes in the agency's programs or structure resulting from implementation of the rulemaking: None.
  - C. Impact of proposed rule on small businesses. Methods used by Agency to comply with 5 ILCS 100/5-30, including reasons for rejecting any methods not utilized: The impact on small businesses is positive. The proposed rulemaking excludes peer-to-peer car sharing from the Automobile Renting Use Tax if tax due on the automobile under the Retailers' Occupation Tax or Use Tax Act was paid upon the purchase of the automobile or when the automobile was brought into Illinois. Affected taxpayers are already subject to these requirements, and no additional skills are required to comply. The Department is currently handling these sales as required by the

statute, and therefore, the methods described in 5 ILCS 100/30 are not legal or feasible in meeting the requirements of the Automobile Renting Use Tax Act. The Department published the proposed rulemaking in the Illinois Register and on the Department's website.

- 10) A justification and rationale for the proposed rulemaking, including:
- A. Any changes in statutory language requiring the proposed rulemaking: Public Act 103-520 amended the Automobile Renting Use Tax to exclude peer-to-peer car sharing, as defined in Section 5 of the Car-Sharing Program Act (815 ILCS 312), from the Automobile Renting Use Tax if tax due on the automobile under the Retailers' Occupation Tax or Use Tax Act was paid upon the purchase of the automobile or when the automobile was brought into Illinois.
  - B. Any changes in agency policy, procedures, or structure requiring the proposed rulemaking: None.
  - C. Relationship to any relevant federal rules, regulations, or funding requirements: None.
  - D. Court orders or rulings which are related to the rulemaking: None.
  - E. A complete explanation of any other reasons for the proposed rulemaking: This proposed rulemaking is related to the proposed amendments to the Automobile Renting Occupation Tax rules, 86 Ill. Adm. Code 180, published in the Illinois Register at 48 Ill. Reg. 14909 (October 18, 2024).
- 11) Does this rulemaking include an incorporation by reference pursuant to Section 5-75 of the Illinois Administrative Procedure Act? No.

Agency Personnel Who Will Respond to Joint Committee Questions Regarding the Proposed Rulemaking:

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Second Notice of Proposed Rulemaking

Page 4

86 Ill. Adm. Code 190

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