



# *i*nformational Bulletin

David Harris, Director

## Form ST-1 and Form PST-1 Changes for New Motor Fuel Classifications, Effective January 1, 2024

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

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**To: All retailers and service persons filing Form ST-1, Sales and Use Tax and E911 Surcharge Return, and all Motor Fuel Distributors Filing Form PST-1, Prepaid Sales Tax Return**

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The Illinois Department of Revenue (IDOR) has revised Forms ST-1, Sales and Use Tax and E911 Surcharge Return, PST-1, Prepaid Sales Tax Return, and PST-2, Prepaid Sales Tax Statement of Tax Paid, effective **January 1, 2024**. The revised forms must be used beginning with the **January 2024** reporting period.

IDOR also has revised Forms ST-1-X, Amended Sales and Use Tax and E911 Surcharge Return, and PST-1-X, Amended Prepaid Sales Tax Return, which must be used to amend an original return filed for the January 2024 reporting period or any subsequent reporting period.

### Why has IDOR revised these forms?

Effective January 1, 2024, P.A. 102-700 and P.A. 103-9 amend the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Use Tax Act, and the Service Use Tax Act, creating a ten-percent exemption for E15 gasohol (not E10), a 20-percent exemption for mid-range ethanol blends, and a 100-percent exemption for diesel fuel containing more than 10%, 13%, 16%, or 19% biodiesel or renewable diesel, as applicable. 35 ILCS 105/3-5.1 and 105/3-10.

“Gasohol” is defined as “motor fuel that is a blend of denatured ethanol and gasoline that contains no more than 1.25% water by weight.” On and after January 1, 2024, the blend must contain 85% gasoline and 15% denatured ethanol. 35 ILCS 105/3-40.

“Mid-range ethanol blends” are defined as “a blend of gasoline and denatured ethanol that contains at least 20% but less than 51% denatured ethanol.” 35 ILCS 105/3-44.3.

“Biodiesel” is defined as “diesel fuel that is not a hydrocarbon fuel and that is derived from biomass that is intended for use in diesel engines.” “Renewable diesel” is defined as “diesel fuel that is a hydrocarbon fuel derived from biomass meeting the requirements of the latest version of ASTM standards D975 or D396. Fuels that have been co-processed are not considered renewable diesel.” 35 ILCS 105/3-41 and 105/3-42.5.

The exemption from taxes imposed by the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers’ Occupation Tax Act for diesel fuel containing biodiesel or renewable diesel applies as follows:

- On and after January 1, 2024, and on or before December 31, 2030, the tax applies to 100 percent of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel and any diesel fuel containing no less than 1% and no more than 10% renewable diesel.
- From January 1, 2024, through March 31, 2024, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.
- From April 1, 2024, through November 30, 2024, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 13% biodiesel or renewable diesel.
- From December 1, 2024, through March 31, 2025, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.
- From April 1, 2025, through November 30, 2025, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 16% biodiesel or renewable diesel.
- From December 1, 2025, through March 31, 2026, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.
- On and after April 1, 2026, and on or before November 30, 2030, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 19% biodiesel or renewable diesel; except that, from December 1 of calendar years 2026, 2027, 2028, and 2029 through March 31 of the following calendar year, and from December 1, 2030, through December 31, 2030, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.

## **What are the changes to Forms ST-1 and ST-1-X?**

IDOR has revised Schedule A — Deductions of Form ST-1 so that motor fuel retailers can accurately report any exempt and partially exempt fuel sales made on or after January 1, 2024. We have added new lines to calculate the deductions for partially exempt E15 gasohol and mid-range ethanol blends and revised existing lines to include reporting of the the deduction for exempt 100-percent biodiesel and renewable diesel and for diesel fuel containing greater than 10%, 13%, 16%, or 19% biodiesel or renewable diesel, as applicable. We have also made corresponding changes to Form ST-1-X.

## What are the changes to Forms PST-1, PST-2, and PST-1-X?

IDOR has revised Forms PST-1 and PST-2 so that motor fuel distributors can accurately report any taxable fuel sales made to retailers on or after January 1, 2024. We have added new lines to report sales to retailers of E15 gasohol and mid-range ethanol blends and revised existing lines to include reporting of sales of diesel fuel containing 10% or less biodiesel and renewable diesel. We have also made corresponding changes to Form PST-1-X.