

Municipal gas taxes imposed under the authority provided in Section 8-11-2 of the Illinois Municipal Code (65 ILCS 5/8-11-2) are not administered by the Department of Revenue. (This is a GIL.)

January 27, 2012

Dear Xxxxx:

This letter is in response to your letter dated January 5, 2012, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Thank you for your recent response to my inquiry letter regarding the imposition of various taxes in Illinois on utilities.

I reviewed the relevant statutes and code and still have one question.

Per 65 ILCS 5/8-11-2: The corporate authorities of any municipality may tax any or all of the following occupations or privileges: Persons engaged in the business of distributing, supplying, furnishing, or selling gas for use or consumption within the corporate limits of a municipality of 500,000 or fewer population, and not for resale, at a rate not to exceed 5% of the gross receipts there from [sic]. Persons engaged in the business of distributing, supplying, furnishing, or selling gas for use or consumption within the corporate limits of a municipality of over 500,000 population, and not for resale, at a rate not to exceed 8% of the gross receipts there from [sic]. If imposed, this tax shall be paid in monthly payments. 'Person' as used in this Section means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint adventure, corporation, limited liability company, municipal corporation, the State or any of its political subdivisions, any State university created by statute, or a receiver, trustee, guardian or other representative appointed by order of any court.

Is the 5% (or 8%) imposed on alternative suppliers, or is it only imposed on Public Utilities?

Thank you in advance for all your help.

DEPARTMENT'S RESPONSE:

As we explained in our letter to you dated December 19, 2011, Section 8-11-2 of the Illinois Municipal Code (65 ILCS 5/8-11-2) is not administered by the Department of Revenue; it is administered by municipalities that elect to impose a gas occupation tax. The Department has no authority or jurisdiction to provide guidance in regards to municipally-administered taxes imposed under this section of the Illinois Municipal Code.

We suggest you contact the municipalities imposing such taxes to determine how they treat Alternative Gas Suppliers.

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

Richard S. Wolters
Associate Counsel

RSW:msk