

ST 12-0061-GIL 12/07/2012 VEHICLE USE TAX

Article X of the Illinois Vehicle code imposes a tax on the privilege of using a motor vehicle in this State that is acquired by gift, transfer, or purchase. This letter rescinds ST 12-0054-GIL. (This is a GIL.)

December 7, 2012

Dear:

This General Information Letter is sent to you to rescind General Information Letter ST 12-0054-GIL that was sent to you on September 27, 2012. We are issuing you this letter in its place so that we may clarify our earlier response.

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.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

Article X of the Illinois Vehicle Code imposes a tax on the privilege of using a motor vehicle in this State that is acquired by gift, transfer, or purchase. 625 ILCS 5/3-1001. See also 86 Ill. Adm. Code 151.101. This tax is commonly referred to as the Private Vehicle Use Tax. With certain exceptions, the amount of tax assessed is based on the model year of the car unless the purchase price is \$15,000 or greater.

A tax rate of \$15 applies under the following circumstances:

- (1) the transferee or purchaser of the motor vehicle is the spouse, mother, father, brother, sister or child of the transferor;
- (2) the transfer is a gift to a beneficiary in the administration of an estate and the beneficiary is not a surviving spouse, or
- (3) when the motor vehicle has once been subjected to the Illinois Retailers' Occupation Tax or Use Tax and is transferred in connection with the organization, reorganization, dissolution or partial liquidation of an incorporated or unincorporated business wherein the beneficial ownership is not changed.

A claim that a transaction is taxable under subsection (1) above must be supported by a certification of family relationship. The certificate must be executed by the transferee and submitted at the time of filing the return. The certification must include the transferor's name and address, the transferee's name and address and a statement that describes the family relationship between them. See 86 Ill. Adm. Code 151.105. Note, though, the statute limited the specific persons entitled to a tax rate of \$15 in subsection (1) above. We wanted to clarify that the statute does not extend to step children of

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the transferor. Again, please note that the letter issued September 27, 2012 is rescinded effective immediately.

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

Very truly yours,

Debra M. Boggess  
Associate Counsel