

ST-14-0005-GIL 03/04/2014 MOTOR VEHICLES

With regard to modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, the tax is imposed at the rate of 1%. See 86 Ill. Adm. Code 130.311(f).  
(This is a GIL.)

March 4, 2014

Dear Xxxx:

This letter is in response to your letter dated November 20, 2013, 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](http://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:

Our company, ABC, manufactures a brake assist product for handicapped individuals that have a desire to ride a motorcycle, but are unable with standard motorcycle equipment. As this is a product for handicapped/disabled individuals only, our company would like to inquire and/or request a handicapped sales tax reduction for our customers of 1%

If you would like more information about our product, please refer to our website. On the website there are videos of our prototype. Our relative, a paraplegic, had a strong yearning to ride, therefore the invention of PROTOTYPE. We currently have a patent pending for our system and it is our hope that we will be able to assist other handicapped/disabled individuals who desire to ride a motorcycle.

Also enclosed with this letter is a flyer. The flyer has our contact information, should you need more detail.

**DEPARTMENT’S RESPONSE:**

Section 2-10 of the Retailers’ Occupation Tax Act provides that “[w]ith respect to . . . modifications to a motor vehicle for the purpose of rendering it usable by a disabled person . . . the tax shall be imposed at the rate of 1%.” (See 35 ILCS 120/2-10). Section 130.311(f) of the Illinois Department of Revenue’s administrative rules further explains the application of this statutory language (86 Ill. Adm. Code 130.311(f)). It states, in part, that “[t]he low rate applies to modifications that enable a disabled person to drive a vehicle, or that assist in the transportation of disabled persons. Examples of such modifications include, but are not limited to, special steering, braking, shifting, or acceleration equipment, or equipment that modifies the vehicle for accessibility, such as a

chair lift." Consequently, systems that allow disabled persons to brake and otherwise operate a motor vehicle using their hands as opposed to their feet would generally qualify for the low rate of tax.

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

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