

The Department will not approve the accuracy of private legal publications. (This is a GIL.)

October 26, 2015

Dear Xxxxx:

This letter is in response to your letter dated July 1, 2015, 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:

We are in the process of compiling necessary information that will enable us to include your state's procedures and fees in the 2016 edition of the ABC Title and Registration Textbook.

Submitting correct information for the next year is extremely important. Our publication is utilized by hundreds of thousands of subscribers nationwide including members of AAMVA, DMV's, dealerships, government agencies, and law enforcement. The return of accurate data will help ensure proper transactions AND cut down on calls made to your offices!

- 1.) Please **verify the tax and lease information shown** including address and phone number(s), fees, and procedures **making changes and/or adding new data for the next year.**
- 2.) Please **send new ORIGINAL sample documents** (no photocopies) **if applicable.**

**THE DEADLINE TO RETURN YOUR INFORMATION IS SEPTEMBER 11, 2015**

Your assistance is greatly appreciated and I encourage you to contact me throughout the year as changes in procedures occur. As an Advisory Board Member you will receive a complimentary copy of the new edition once it becomes available.

Should you have any questions, please feel free to contact me directly at (###) ###-#### ext. ###.

#### **DEPARTMENT'S RESPONSE:**

We cannot approve the accuracy of private legal publications. We advise you to consult Illinois statutes and administrative rules, as well as Department publications on these matters. However, in the interest of limiting the dissemination of incorrect or incomplete information, we make the following suggestions.

In Part I, "TITLE INFORMATION", under the heading "SALES OR USE TAX APPLICABLE TO TITLING":

1. In the sentence that reads "The sale or transfer of a vehicle from an individual other than a retailer is subject to VEHICLE USE TAX on the model year if the selling price was less than \$15,000, and on the selling price if \$15,000 or more", add "(Form RUT-50)" immediately after "VEHICLE USE TAX."
2. Immediately after the sentence that reads "The VEHICLE USE TAX on sales or transfers of motorcycles and ATVs is \$25.00, and the tax is \$15.00 when the sale or transfer of any motor vehicle is between spouse, parent, brother, sister, or child.", add a new sentence as follows: "Beginning on July 1, 2015, the Illinois Department of Revenue began collecting Chicago and Cook County's local Vehicle Use Tax on non-retail transactions on Form RUT-50 as well."

In Part VI, "GENERAL INFORMATION", under the heading "LEASED VEHICLES", in the portion that discusses "TAXES":

3. Immediately after the sentence that reads "For LEASED VEHICLES (periods of more than one year): Lessor is considered user of the vehicle and incurs Illinois Use Tax liability when vehicle is brought into the state." add a sentence that reads "Effective January 1, 2016, the taxable "selling price" of motor vehicles of the first division and certain motor vehicles of the second division sold for the purpose of leasing the vehicles for a defined period of more than one year is based on the amount of the lease contract, with no credit for trade-ins." See the definition of "selling price" at 35 ILCS 120/1.
4. In this same paragraph, add the underscored language to the following sentence "Trade-in deduction (except in cases where the taxable selling price is the amount of the lease contract) and/or credit for sales tax previously paid in another state is

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allowed to reduce Illinois Use Tax but only if clearly and separately stated on the Bill of Sale or other proof of purchase price."

I have enclosed the 2015 RUT-50 Private Party Vehicle Use Tax Chart and the RUT-6 Local Government Private Party Vehicle Use Tax Charts.

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,

Samuel J. Moore  
Associate Counsel

Enc.

SJM:mdb