

**Illinois Department of Revenue  
Regulations**

**Title 86 Part 471 Section 471.125 Exemptions**

**TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 471  
GAS USE TAX LAW**

**Section 471.125 Exemptions**

- a) The tax imposed under this Part does not apply to the following:
- 1) *Gas used by business enterprises located in an enterprise zone certified by the Department of Commerce and Economic Opportunity pursuant to the Illinois Enterprise Zone Act [20 ILCS 655]. The use of gas by business enterprises under this exemption does not include gas that is used for any residential purpose;*
  - 2) *Gas used by governmental bodies, or a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes. Such use shall not be exempt unless the government body, or corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes has first been issued a tax exemption identification number by the Department of Revenue pursuant to Section 1g of the Retailers' Occupation Tax Act. A limited liability company may qualify for this exemption only if the limited liability company is organized and operated exclusively for educational purposes. The term "educational purposes" shall have the same meaning as that set forth in Section 2h of the Retailers' Occupation Tax Act [35 ILCS 120];*
  - 3) *Gas used in the production of electric energy. This exemption does not include gas used in the general maintenance or heating of an electric energy production facility or other structure;*
  - 4) *Gas used in a petroleum refinery operation;*
  - 5) *Gas purchased by persons for use in liquefaction and fractionation processes that produce value added natural gas byproducts for resale; and*
  - 6) *Gas used in the production of anhydrous ammonia and downstream nitrogen fertilizer products for resale. [35 ILCS 173/5-50]*
- b) Purchasers of gas that is to be used for an exempt purpose or purposes as provided in subsection (a) must provide their delivering supplier or suppliers with a signed certificate of

exemption to claim an exemption from the tax imposed under this Part. Only one type of exemption described in subsection (a) may be claimed on each exemption certificate. The certificate of exemption must contain the following:

- 1) Name and address of the purchaser;
  - 2) Account number or numbers for which the exemption is being claimed;
  - 3) Type of exemption claimed (organizations described in subsection (a)(2) must provide their tax exemption identification number and persons or organizations claiming the exemption described in subsection (a)(1) must provide the name of the enterprise zone in which they are located);
  - 4) A statement that all of the gas being purchased by the purchaser under the account number or numbers listed on the certificate is exempt from tax;
  - 5) The date the certificate was given to the delivering supplier; and
  - 6) The signature of the purchaser.
- c) Purchasers providing invalid exemption certificates. Purchasers of out-of-State gas who provide exemption certificates when they do not qualify for such exemptions will be deemed to be self-assessing purchasers and incur the tax imposed by this Part at the self-assessing purchaser rate. Such purchasers must file returns and pay the tax directly to the Department.
- d) Separate accounts for exempt uses. Purchasers who have both exempt uses and non-exempt uses of gas must have separate accounts with their delivering supplier or suppliers for their exempt gas usage. An exemption certificate provided under this Section may only be provided for an account where all the gas being delivered to that customer under that account is exempt from tax under this Part.