Illinois Department of Revenue
Brian Hamer, Director

Illinois Aircraft/Watercraft and Vehicle Use Tax Information Guide

Table of Contents

Introduction 4
Glossary of Terms 5

Form RUT-25, Vehicle Use Tax Transaction Return

Sample RUT-25 8
RUT-25 General Information 9
RUT-25 Step-by-Step Instructions 11
RUT-25 Common Questions 16

Form RUT-50, Private Party Vehicle Use Tax Transaction Return

Sample RUT-50 18
RUT-50 General Information 19
RUT-50 Step-by-Step Instructions 21
RUT-50 Common Questions 25

Form RUT-75, Aircraft/Watercraft Use Tax Transaction Return

Sample RUT-75 27
RUT-75 General Information 28
RUT-75 Step-by-Step Instructions 29
RUT-75 Common Questions 33

Forms 34
Receipted Copy Information 35
Help and Resources 37

Introduction

This reference guide contains an overview of information pertaining to filing and paying Illinois Use Tax on items required to be titled and/or registered by an Illinois governmental agency. The Illinois Department of Revenue is responsible for administering these taxes. The contents of this guide are informational only and do not take the place of statutes, rules, or court decisions. For information on receiving binding opinions from the department, see the Illinois Administrative Code, Title 86, Section 130.1001.

Form ST-556, Sales Tax Transaction Return, is no longer discussed in detail in this publication. Please reference ST-9, A Guide for Reporting Sales Using Form ST-556, Sales Tax Transaction Return. Form ST-556 must be filed if you are

- in the business of selling items at retail in Illinois that are normally required to be titled or registered by an agency of Illinois state government, ***or***
- an out-of-state leasing company who is also in the business of selling to Illinois purchasers used first division motor vehicles, watercraft, or aircraft that are located in Illinois at the time of the sale. This situation will occur most often when you sell a used motor vehicle, watercraft, or aircraft at the end of a lease to an Illinois purchaser.

The information in this guide will explain which form to file. In addition, this guide includes information about ordering forms, informational bulletins, publications, and who to contact with tax and registration questions.

The Illinois government agencies listed below process applications for items required to be titled and/or registered.

- **Office of the Secretary of State**
  (car, truck, van, motorcycle, trailer, mobile home, ATV, and low-speed vehicle)
- **Illinois Department of Natural Resources**
  (watercraft and snowmobile)
- **Illinois Department of Transportation**
  (aircraft)

You must submit one of the three tax forms listed below along with the application for title and/or registration to the appropriate agency.

- RUT-25, Vehicle Use Tax Transaction Return
- RUT-50, Private Party Vehicle Use Tax Transaction Return
- RUT-75, Aircraft/Watercraft Use Tax Transaction Return

Under Illinois law, a lessor selling first division motor vehicles, watercraft, or aircraft coming off a lease agreement is automatically deemed to be in the business of selling such items and must report the sale on Form ST-556. For additional information see Compliance Alert 2011-09, Out-of-State Leasing Companies. Sales of vehicles other than first division motor vehicles (*e.g.* trucks) purchased from a leasing company that is not also in the business of selling first division motor vehicles must be reported on Form RUT-50.

Glossary of Terms

The terms defined in this glossary apply in the context of this guide. These definitions do not replace definitions in the Illinois Compiled Statutes or the Illinois Administrative Code.

Aircraft

An aircraft is any device used or designed to carry humans in flight as specified by the Department of Transportation by rule. The term "aircraft" includes airplanes, helicopters, hot-air balloons, gliders, blimps, dirigibles, seaplanes, and anything else defined as "aircraft" by the Federal Aviation Administration.

All-terrain vehicle (ATV)

An ATV is defined in the Illinois Vehicle Code as any motorized off-highway device which

- is designed to travel primarily off-highway,
- is 50 inches or less in width,
- has a manufacturer's dry weight of 1,500 pounds or less,
- travels on 3 or more non-highway tires, and
- is designed with a seat or saddle for operator use and handlebars or steering wheel for steering control.

Effective August 13, 2009, a recreational off-highway vehicle is included as an ATV. A recreational off-highway vehicle is defined in the Illinois Vehicle Code as any motorized off-highway device which

- is designed to travel primarily off-highway,
- is 64 inches or less in width,
- has a manufacturer's dry weight of 2,000 pounds or less,
- travels on 4 or more non-highway tires,
- is designed with a non-straddle seat and a steering wheel for steering control.

The Illinois Vehicle Code specifically excludes equipment such as lawn mowers from the ATV definition.

Collar counties

This term refers to the counties that border Cook County, which are DuPage, Kane, Lake, McHenry, and Will.

Exempt organization

This refers to an organization with an active Illinois sales tax exemption (E) identification number issued by the Illinois Department of Revenue.

Fair market value

Fair market value is the price at which property would change hands between a willing buyer and seller, neither under compulsion to buy or sell and both having reasonable knowledge of relevant facts. If the department questions the amount of the fair market value, we have the authority to make the fair market value determination. In determining the fair market value, the department considers such factors as the year, make, model, and identification number.

Gross vehicle weight rating (GVWR)

The weight identified by the manufacturer or manufacturers as the maximum loaded weight, including passengers and cargo, of a single motor vehicle or trailer (*i.e.,* the maximum loaded weight that it can carry safely).

Leasing

The transfer of possession or right to possession of an item to a person for a valuable consideration. For automobiles, the lease must be for a period of more than one year.

Lessee

The party that takes temporary possession of the item leased.

Lessor

A business engaged in the leasing of items.

Licensed dealer

This is a person or business that is registered in Illinois to sell at retail items that are normally required to be titled or registered.

Glossary of Terms

Low-speed vehicle

The term "low-speed" vehicle is defined in the Illinois Vehicle Code as any 4-wheeled vehicle that has a maximum speed greater than 20 miles per hour but not greater than 25 miles per hour that conforms with the federal motor vehicle safety standards set forth in 49 C.F.R. Part 571.500.

Motor vehicle

The term "motor vehicle" is defined in the Illinois Vehicle Code as every vehicle which

- is self-propelled, or
- is propelled by electric power obtained from overhead trolley wires, and
- is not operated upon rails.

Vehicles moved solely by human power, motorized wheelchairs, low-speed electric bicycles, and low-speed gas bicycles are excluded.

Motor vehicles are divided into two divisions:

First Division: Those motor vehicles which are designed for the carrying of not more than 10 persons.

Second Division: Those motor vehicles which are

- designed for carrying more than 10 persons,
- designed or used for living quarters,
- designed for pulling or carrying freight, cargo or implements of husbandry, and
- First Division motor vehicles remodeled for use and used as Second Division motor vehicles.

Motorcycle

Motorcycle is defined in the Illinois Vehicle Code as a motor vehicle having a seat or saddle for use of the rider and designed to travel on not more than three wheels in contact with the ground. Tractors are excluded.

Penalty and interest

You will owe a

- **late-filing penalty** if you do not file a processable return by the due date or you file a return that we cannot process and you do not correct it within 30 days of the date we notify you.
- **late-payment penalty** if you do not pay the tax you owe by the original due date of the return.
- **bad check penalty** if you send a remittance to the department that is not honored by your financial institution.
- **cost of collection fee** if you do not pay the amount you owe within 30 days of the date printed on a bill.

Interest is calculated on tax from the original due date of the return through the date the tax is paid. Interest is simple interest figured using a daily rate.

Note: See Publication 103, Penalties and Interest for Illinois Taxes, for more information about penalties and interest. (See Page 37 for information on how to obtain the publication.)

Private party

This is a person or business that is **not** in the business of selling items at retail in Illinois that are normally required to be titled or registered and who is not required to be registered to sell those items. This does **not** include out-of-state dealers.

Renting

This is the transfer of possession or right to possession of an automobile subject to the provisions of the Automobile Renting Occupation and Use Tax Act to a person for a valuable consideration for a period of one year or less.

Glossary of Terms

Trade-in, qualified

Form RUT-25 is the only form covered in this guide that allows a trade-in allowance. A qualified trade-in is an item that

- is accepted by the seller to reduce the selling price (in part or full) of the item being sold; ***and***
- if sold at retail, the seller would be required to report the sale on Form ST-556 or Form RUT-25; ***and***
- the seller is "in the business of selling."

Note: Sellers are "in the business of selling" a particular kind of item if they hold themselves out to the public as being engaged in (or habitually engaged in) selling such items.

Watercraft

For tax purposes, "watercraft" means Class 2, Class 3, and Class 4 watercraft, and personal watercraft. As defined in the "Boat and Registration Safety Act":

- Class 2 watercraft includes all watercraft 16 feet or more but less than 26 feet in length,
- Class 3 watercraft includes all watercraft 26 feet or more but less than 40 feet in length,
- Class 4 watercraft includes all watercraft 40 feet in length or more, and
- personal watercraft means a vessel that
  - —uses an inboard motor powering a water jet pump as its primary source of motor power, and
  - —is designed to be operated by a person sitting, standing, or kneeling on the vessel, rather than the conventional manner of sitting or standing inside the vessel, and
  - —includes vessels that are similar in appearance and operation but are powered by an outboard or propeller drive motor (jet skis, wave runners, etc.).

For purchases from a retailer, "watercraft" also includes any boat equipped with an inboard motor regardless of length (*i.e.* includes boats with an inboard motor that are less than 16 feet long).

Exclusions: Class A watercraft (canoes, kayaks, and non-motorized paddle boats) and Class 1 watercraft (all watercraft less than 16 feet in length other than canoes, kayaks, and non-motorized paddle boats) generally are not included in the definition of watercraft for tax purposes. The only exceptions to this are (i) all sales or transfers of personal watercraft and (ii) retail sales of boats less than 16 feet equipped with an inboard motor.

Private parties: No tax is imposed on **private party** transfers of Class A or Class 1 watercraft, with the exception of transfers of personal watercraft which are subject to the Watercraft Use Tax.

Illinois retailers: Purchases of Class A or Class 1 watercraft from an Illinois retailer are generally reported on Form ST-1, Sales and Use Tax and E911 Surcharge Tax Return (used for general merchandise) and not reported on a transaction return (used for titled or registered property). **However**, a Class 1 watercraft that is a personal watercraft or that is equipped with an inboard motor and sold by an Illinois retailer must be reported on Form ST-556.

Out-of-state retailers: Purchases of Class A or Class 1 watercraft from an out-of-state retailer are generally reported on Form ST-44, Illinois Use Tax Return. **However,** a Class 1 watercraft that is a personal watercraft or that is equipped with an inboard motor and sold by an out-of-state retailer must be reported on Form RUT-25.

Sample RUT-25

Illinois Department of Revenue **MV**

RUT-25 Vehicle Use Tax Transaction Return

REV 08 FORM 20
RC CA ED

(R-9/10)

Step 1: Complete the buyer or lessee information

1 Name:

2 Co-owner(s):

3 Street address:

City, State, ZIP:

4 **Is address outside the city limits?** ☐ Yes ☐ No

5 County: Township:

6 Municipality (city, village, or town), if different:

7 Daytime phone: (_____) _____ - _____

8 ☐ SSN **or** ☐ FEIN

Step 2: Complete the seller or leasing company information

1 Name:

2 Address:

3 Leasing company's mailing address:

Step 3: Describe the item

1 Year: Make:

2 Model:

3 Is this item leased? ☐ Yes ☐ No

4 Vehicle identification number (VIN) (HIN) (N)):

5 Purchase date: M M – D D – Y Y Y Y

6 Date brought into Illinois: M M – D D – Y Y Y Y

Step 4: Mark the box that best describes your transaction *if* exempt from tax

Skip to Step 5 if your transaction is taxable.

a Organization with tax-exempt status - provide exemption number: E ☐

b Farm implement or ready-mix concrete truck ☐

c Rolling stock - provide certificate of authority number: ☐

d Rental - auto, RV, or motorcycle rental business - Provide Illinois Account ID no.: – ☐

e Retailer - Interim use only - Provide Illinois Account ID: – ☐

f You were an out-of-state resident **(individuals only)** and the item was used outside IL at least 3 months. **Leases do not apply.** ☐

g Redemption due to loan default ☐

Step 5: Figure tax. Complete Lines 1 & 2 even if no tax is due - *Attach a copy of your bill of sale or proof of purchase.*

1	Purchase price - before trade-in, discount, rebates, or incentives	1
2	Trade-in or discount	2
3	Net purchase price. **Subtract Line 2 from Line 1.**	3
4	Depreciation for out-of-state use	4
5	Taxable amount. **Subtract Line 4 from Line 3.**	5
6	**Multiply Line 5 by** the tax rate, write it here. .	6
7	Credit for tax previously paid to _____.	7
8	Tax due. **Subtract Line 7 from Line 6.** This is your total amount due.	8

Step 6: Sign here

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct, and complete.

Your signature Date Co-owner's signature Date

This form is authorized as outlined in the Use Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in penalties. This form has been approved by the Forms Management Center. IL-492-2693

Page 1 — Revenue

Date rec'd by IL state govt.

SAMPLE

RUT-25 General Information

This section contains a basic overview of information pertaining to filing Form RUT-25. Read all of the instructions to make sure it is the correct tax return needed to report your transaction.

Who must file Form RUT-25?

You must file Form RUT-25 if you own a motor vehicle, watercraft, aircraft, trailer, mobile home, snowmobile, or all-terrain vehicle (ATV) and you

- purchased it from an unregistered out-of-state dealer, other retailer, lending institution, or unregistered leasing company selling items and you will title or register the item in Illinois; ***or***
- are a leasing company who purchased it from an unregistered out-of-state dealer, other retailer, or lending institution and you are currently leasing the item to an Illinois resident. **Note:** Vehicles other than first division motor vehicles (*e.g.* trucks) purchased from leasing companies that are **not** also in the business of selling first division motor vehicles must be reported on Form RUT-50; ***or***
- moved into Illinois with an item required to be titled or registered in Illinois that was originally purchased from an out-of-state dealer or leasing company, other retailer, or lending institution.

When is Form RUT-25 due?

Form RUT-25 is due no later than 30 days after the purchase date or the date the item is brought into Illinois, whichever is later. Tax is due on the use of an item in Illinois regardless of whether you apply for title or registration.

Where are Form RUT-25 and tax payments mailed?

Form RUT-25 and any tax payment must be submitted with the application for title or registration. Attach a separate payment for tax made payable to the "Illinois Department of Revenue" and a separate payment for title or registration fees to the appropriate agency. Mail all title or registration and tax documents to the appropriate agency.

Motor vehicles

OFFICE OF THE SECRETARY OF STATE
VEHICLE SERVICES DEPARTMENT
HOWLETT BUILDING
SPRINGFIELD IL 62756

If you need assistance, call
1 800 252-8980 (general information)
217 782-6387 (registration information)
217 782-6306 (title information)
1 800 732-8866 (tax questions)

Aircraft

ILLINOIS DEPARTMENT OF TRANSPORTATION
DIVISION OF AERONAUTICS
ABRAHAM LINCOLN CAPITAL AIRPORT
1 LANGHORNE BOND DRIVE
SPRINGFIELD IL 62707-8415

If you need assistance, call
1 800 554-0247 (general information)
217 785-8223 (registration information)
1 800 732-8866 (tax questions)

RUT-25 General Information

Watercraft and snowmobile

ILLINOIS DEPARTMENT OF NATURAL RESOURCES
PO BOX 19226
SPRINGFIELD IL 62794-9226

If you need assistance, call
1 800 382-1696 (general information)
217 557-0180 (registration information)
1 800 732-8866 (tax questions)

RUT-25 Step-by-Step Instructions

This section provides step-by-step instructions for properly reporting purchases on Form RUT-25. Read this information carefully. If you do not complete all applicable boxes and provide the required information, it may cause delays in processing the return and, as a result, you may be subject to additional tax, penalty, and interest.

Step 1: Complete the buyer or lessee information

Write the name and the address as it will appear on the Illinois title or registration. Do not use a P.O. Box.

Mark the box to indicate if the address is located outside the city limits in an unincorporated part of the county (refer to your property tax bill or county assessor's office for location information) and write the county and township of the address where the item will be titled or registered. Provide the municipality if it is different from Line 3.

Write a daytime phone number where you can be reached if we have any questions.

Provide the Social Security number (SSN) or federal employer identification number (FEIN) of the purchaser or lessee.

Step 2: Complete the seller or leasing company information

Provide the seller's name and address. Otherwise, if you are a leasing company leasing an item to an Illinois resident, provide your name and mailing address.

Step 3: Describe the item

Year, make, and model - You must provide all of the information that describes the item purchased.

Is the item leased? - Check the correct box.

Identification number - You must provide either the vehicle identification number (VIN) for motor vehicles, trailers, mobile homes; hull identification number (HIN) for watercraft; or identification number (N) for aircraft.

Purchase date and date brought into Illinois - You must provide both the purchase date and the date brought into Illinois to process this return. If the dates are not provided, you may be subject to additional tax, penalty, and interest.

The purchase date must be the same date as shown on the bill of sale or other proof of purchase.

For leased items, the purchase date must be the date the item was originally purchased by the leasing company, not the contract date of the agreement, unless it is the same date.

The date the item was brought into Illinois must be provided and may be the same as the purchase date. This date is used to determine when Form RUT-25 is due. The return is due within 30 days of the date the item was brought into Illinois.

Step 4: Mark the box that best describes your transaction if exempt from tax

Mark the **ONE** box in Step 4 that best describes your purchase, if exempt from tax. If your transaction is taxable, skip to Step 5. If you claim an exemption, you must also write the purchase price on Line 1 of Step 5 and the trade-in, if any, on Line 2 of Step 5.

If a box is not checked, more than one box is checked, or the additional information is not provided, you may be subject to additional tax, penalty, and interest.

RUT-25 Step-by-Step Instructions

Box a - Organization with tax-exempt status

Items purchased by a charitable, religious, educational, or governmental organization for use by the organization qualify for this exemption. Prior to the purchase, the organization must have an active Illinois Department of Revenue exemption number. The number will begin with the letter "E", followed by eight digits (example, E-9999-9999). Check box a to claim this exemption and write the "E" number in the space provided.

Box b, Farm implement or ready-mix concrete truck

Farm machinery and equipment purchased and used primarily in production agriculture (excluding motor vehicles required to be registered under the Illinois Vehicle Code), or ready-mix concrete trucks used primarily in manufacturing tangible personal property for sale are exempt from tax. Check box b to claim this exemption. Keep all information to document this exemption in your books and records.

Box c, Rolling stock

Items purchased primarily to haul persons or commodities for hire in interstate commerce may qualify for the rolling stock exemption.

To qualify, **aircraft or watercraft** must be used to carry persons or property for hire in interstate commerce on a regular and frequent basis.

A **motor vehicle** (other than a limousine) must have a GVWR of more than 16,000 pounds and a **motor vehicle, limousine,** or **trailer** must carry persons or property for hire in interstate commerce each consecutive 12-month period for more than 50 percent of the motor vehicle's total trips or miles during that period. The first 12-month period generally begins on the latter of the date of titling or registration.

An item that carries persons or property for hire but seldom or never leaves Illinois may qualify for the rolling stock exemption, if enough of its trips or miles are a continuation of interstate commerce. For these trips or miles to count as a continuation of interstate commerce, the person's journey or property's shipment must begin or end outside of Illinois.

To qualify for the rolling stock exemption, a **trailer** will follow the same test as the motor vehicle. In lieu of documenting each and every trailer, a carrier may instead document that a trailer meets one of the following tests:

- If the trailer is dedicated to a motor vehicle that qualified for the rolling stock exemption, the trailer also qualifies.
- If the trailer is dedicated to a group of motor vehicles that all qualify for the rolling stock exemption, then the trailer qualifies.
- If one or more trailers are dedicated to a group of motor vehicles of which some qualify and some do not qualify for the rolling stock exemption, only the percentage of motor vehicles that qualify for the rolling stock exemption will be applied to the trailers. No partial trailer will be allowed the exemption.

At the time the motor vehicle, limousine, or trailer is purchased, the purchaser must indicate the "trips" or "miles" method on Form RUT-7, Rolling Stock Certification, to document the rolling stock exemption. If the purchaser does not indicate "trips" or "miles," we consider the purchaser to have chosen the mileage method. For additional information on the rolling stock exemption, please see the Illinois Administrative Code, Title 86, Section 130.340. Check box c to claim this exemption and write the certificate of authority number, which must be in effect at the time of purchase, in the space provided.

Owners of qualifying limousines operated by carriers who do not require a certificate of authority number should instead write "limousine" in the space provided. Note: Only limousines that are first division motor vehicles may qualify for the rolling stock exemption.

You do not need to attach Form RUT-7 when filing Form RUT-25, but you must keep all required information in your books and records to document that your purchase qualifies as exempt from tax. **Note:** Attaching a copy of Form RUT-7 may prevent future notices.

If the carrier does not have a certificate of authority because the carrier only hauls exempt commodities, provide the USDOT number. The carrier must be registered as an "exempt for hire" carrier with the Federal Motor Carrier Safety Administration.

If you are a lessor who will lease the item, the lessor may claim the exemption if:

- the lessee is recognized by the appropriate federal or state regulatory agency as an interstate carrier for hire and has received a certificate of authority to engage in interstate commerce; and
- the lessee will use the item in a qualifying manner; and
- the lease is in effect or executed at the time of the purchase for use as rolling stock.

It is not the type of item that determines whether or not it qualifies for use as rolling stock, but rather how the item is used by a qualifying interstate carrier. Items do not qualify as rolling stock when they are used only

- to transport company officers, employees, customers, or others not for hire (even if the item crosses state lines); or
- to transport property that a business owns or is selling and delivering to customers (even if the items cross state lines); or
- as support vehicles (other than those specifically used for "escort" services) when the vehicles do not haul persons or commodities for hire in interstate commerce.

To qualify for this exemption, except as discussed above, the purchaser or lessee must have the required certificate of authority from the appropriate agency.

Box d, Rental - auto, RV, or motorcycle rental business

Certain motor vehicles purchased for rental use of one year or less are exempt from tax.

The following types of motor vehicles may be purchased tax exempt for rental purposes:

- first division, passenger automobiles designed to carry not more than 10 persons; or
- passenger vans designed for transportation of not fewer than seven or more than 16 persons; or
- second division, self-contained motor vehicles designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk-through access to the living quarters from the driver's seat; or
- motorcycles or motor driven cycles.

Check box d to claim this exemption and provide your active Illinois Automobile Renting Occupation and Use Tax (ART) registration number (account ID) in the space provided.

Note: Sport Utility Vehicles (SUVs) may be registered either as first division or second division vehicles. When registered as a first division vehicle, the rental of a SUV is subject to ART. When registered as second division vehicle, the rental of a SUV is not subject to ART.

RUT-25 Step-by-Step Instructions

Box e, Retailer - interim use only

Items purchased for resale but used by the retailers or their agents prior to selling them at retail are exempt from use tax provided the items are the same type of property sold by the retailer and are carried as inventory on their books and records.

For aircraft or watercraft, if the demonstration or interim use exceeds 18 months, the retailer owes use tax on the original cost of the aircraft or watercraft. No credit is allowed if the aircraft or watercraft is later sold. Check box e to claim this exemption and write your active Illinois registration number (account ID) in the space provided.

Box f, You were an out-of-state resident (individuals only) and the item was used outside Illinois at least 3 months

Items purchased by out-of-state residents (**individuals only**) and used outside Illinois at least three months are exempt from tax. You must surrender the out-of-state title, registration, or other proof of the item's use when you apply for an Illinois title. This exemption is not available to leasing companies, lessees, businesses relocating into Illinois, individuals who used the item outside Illinois for less than three months, or military personnel whose home of record is Illinois. These businesses and individuals may claim depreciation for out-of-state use on Line 4 of Step 5 and credit for taxes properly due and paid to another state on Line 7 of Step 5. Check box f to claim this exemption.

Box g, Redemption due to loan default

You are the original owner or co-owner or you are the loan co-signer redeeming the item, which was repossessed due to loan default. Check box g to claim this exemption.

Step 5: Figure tax. Complete Lines 1 and 2 even if no tax is due

You must attach a copy of the bill of sale to Form RUT-25 as proof of the purchase date, purchase price, and any sales and use tax previously paid to another state which must be clearly and separately stated on the bill of sale. If you do not have or cannot obtain a bill of sale, we will accept a:

- dealer's invoice,
- letter from a leasing company,
- letter from the selling dealer,
- fair market valuation from a licensed Illinois dealer, ***or***
- copy of the lease agreement clearly indicating the lessor's cost price of the motor vehicle.

Make sure all dollar amounts are clearly written so the tax amount due is properly computed. Drop amounts of less than 50 cents, and increase amounts of 50 cents or more to the next higher dollar.

Line 1 - Purchase price-before trade-in, discount, rebates, or incentives - Write the purchase price on Line 1. Purchase price is the total consideration paid whether received in money or otherwise; including accessories, dealer preparation, federal excise taxes, freight, labor, documentary fees, and any rebates or incentives for which a dealer is reimbursed from any source. It does not include a deduction for allowance, depreciation, or credit for taxes due and properly paid to another state.

Line 2 - Trade-in or discount - Write trade-in or discount amount on Line 2. This is an amount you were allowed for a trade-in or discount. The amount must be shown on the bill of sale or proof of purchase. **Note:** Do **not** deduct rebates.

Line 3 - Net purchase price - Subtract Line 2 from Line 1 and write the net purchase price on Line 3.

RUT-25 Step-by-Step Instructions

Line 4 - Depreciation for out-of-state use - Write the amount of depreciation claimed on Line 4. Depreciation can be claimed when an item has been purchased at retail or leased and used outside Illinois by:

- leasing companies,
- lessees,
- businesses relocating into Illinois,
- individuals who used the motor vehicle outside of Illinois for less than three months, ***or***
- military personnel whose home of record is Illinois.

For motor vehicles, depreciation is figured at the rate of two percent (.02) for each whole month the item was used outside Illinois. (For example, you purchased a car on 1/15/12 and brought it into Illinois on 4/8/12. You may claim depreciation for only two months of that time, from 1/15/12 through 3/15/12. (The remaining period of time from 3/16/12 through 4/8/12 is not a whole month and you cannot claim depreciation for it.)

Line 5 - Taxable amount - Subtract Line 4 from Line 3 and write the taxable amount on Line 5.

Line 6 - Multiply Line 5 by the tax rate - Write the tax rate in the boxes provided on Line 6. The tax rate is determined by the address provided in Step 1, Line 3. Use 6.25 percent (.0625) unless listed below:

- Cook County = 7.25 percent (.0725) except Bensenville, Elmhurst, Hinsdale, Oak Brook, Roselle, or Woodridge = 7.50 percent (.075),
- DuPage County = 7.25 percent (.0725) except outside of DuPage Water Commission = 7.0 percent (.07) or West Chicago = 7.0 percent (.07),
- Will County = 7.0 percent (.07) except Naperville or Woodridge = 7.25 percent (.0725),
- Kane, Lake, and McHenry counties = 7.0 percent (.07),
- Madison and St. Clair counties = 6.5 percent (.065), ***except for*** outside the Metro East Transit District = 6.25 percent (.0625)

Multiply Line 5 by the tax rate and write the tax amount on Line 6.

Line 7 - Credit for taxes previously paid to - *Attach proof of tax paid* - Write the name of the state on the line provided and the amount of sales or use tax previously paid to the state in the boxes. Credit is allowed only if the tax previously paid was properly due and separately stated on the proof of tax payment that must be attached to Form RUT-25.

No credit is given for tax paid on a leased item when it is purchased at the end of the lease.

Line 8 - Tax due - Subtract Line 7 from Line 6 and write the total tax due on Line 8.

Step 6: Sign here

The owner and co-owner (if applicable) must sign and date Form RUT-25. If the return is not properly signed, it will be considered unprocessable, and we will send a notice to you. This notice may result in the assessment of penalty. Send Page 1 of Form RUT-25 and the required attachments to the appropriate address listed on Page 9.

RUT-25 Common Questions

Does the purchase of a boat and trailer from an out-of-state dealer or leasing company require reporting on separate RUT-25 forms?

Yes. You must complete two separate forms. Send a completed Form RUT-25 for the boat purchase to the Department of Natural Resources along with the application for title to the boat. Send a completed Form RUT-25 for the trailer purchase to the Office of the Secretary of State along with the application for title to the trailer. Attach a separate payment for tax made payable to the "Illinois Department of Revenue" and a separate payment for title or registration fees to the appropriate agency.

How is the purchase of an item that will be leased to a government organization reported?

Report the transaction on Form RUT-25 by:

- checking Box a in Step 4, ***and***
- writing the government organization's active Illinois Department of Revenue exemption number on the line provided, ***and***
- completing Lines 1 and 2 in Step 5. No tax is due.

The lease must be in the name of the governmental body with an active Illinois Department of Revenue exemption number. The lease must be for more than one year and be executed or in effect at the time the lessor purchases the item.

If I am currently leasing an item and move into Illinois, what is the tax requirement on my leased item?

Report the transaction on Form RUT-25 and pay any Illinois Use Tax within 30 days of the date your leased item is brought into Illinois. The tax is determined by the address where the item will be titled in Illinois. Figure the tax on the original purchase price paid by the leasing company. A deduction is allowed for a qualified trade-in, if any, and depreciation for prior out-of-state use. You may also claim credit for sales or use tax properly due and paid to another state. The return and tax payment must be submitted with the application for title to the appropriate Illinois titling agency.

How should the tax be reported when a bank or other lending agency sells a repossessed item?

If the bank or lending agency applies for title to a repossessed item in its name and then sells the item to a new buyer, a sale occurs and tax is due either on Form ST-556 (if registered) or Form RUT-25. However, if the original owner, co-owner, or co-signer (of the loan) redeems (resumes) possession of the item, the transaction is not regarded as a sale and is not subject to tax. Check Box g in Step 4 on Form RUT-25. If you are registered to file Form ST-556 please refer to our ST-9 booklet.

If the bank or lending agency does not apply for title to the repossessed item in its name and reassigns the title to the new buyer, then tax is due on the applicable Form RUT-50 or Form RUT-75 as a private transaction between the previous owner of the repossessed item and the new buyer.

What does the Illinois Department of Revenue require to show proof that tax was paid to another state?

A copy of the bill of sale that clearly states the amount of tax that was paid to another state. If you do not have or cannot obtain a bill of sale, we will accept a:

- dealer's invoice,
- letter from a leasing company,
- letter from the selling dealer, *or*
- copy of the lease agreement showing the financial information.

Can I receive a trade-in allowance if I trade-in an item I own for a new leased item?

Yes. An out-of-state dealer may give a trade-in allowance on a new leased item when you trade in an item you own.

RUT-25 Common Questions

Can a lessee trade in a leased item and get a trade-in allowance to reduce tax on a new leased item?

No. The lessee is not the owner of the traded in item and is not entitled to a trade-in allowance for the new leased item.

Is an exempt organization with a valid exemption number exempt from tax on a leased item?

No. In this case, the exempt organization is not the owner of the item; the lessor is the owner of the item and tax is due on this transaction.

How can Form RUT-25 be corrected?

If you have previously filed a Form RUT-25 and now need to correct the return, you must complete and file Form RUT-25-X, Amended Vehicle Use Tax Transaction Return. Forms can be obtained on our website at **tax.illinois.gov**.

Sample RUT-50

Illinois Department of Revenue **PV**

RUT-50 Private Party Vehicle Use Tax Transaction

REV 05 FORM 89
RC CA ED
(R 9/10)

Step 1: Complete the purchaser's information

1 Name:

2 Co-owner(s):

3 Street address:

City, State, ZIP:

4 Daytime phone: (_____) _____ - _____

5 ☐ SSN **or** ☐ FEIN:

6 Driver's license number:

Step 2: Complete the seller's information

1 Name:

2 Daytime phone: (_____) _____ - _____

3 Address:

Step 3: Describe the vehicle - Must complete Line 1 even if no tax is due

1 Purchase price: ___,___,___.00

2 Odometer reading: ___,___

3 Vehicle identification number (VIN):

4 Year: Make:

5 Model:

Step 4: Mark the ONE box that best describes your transaction

1 Exemption - ***Write $0 on Step 5, Line 1***

1a Organization with tax-exempt status - Provide exemption number: E ☐ **1a** ☐

1b Farm implement or ready-mix concrete truck **1b** ☐

1c Rolling stock - Provide certificate of authority number **1c** ☐

1d You were an out-of-state resident; item used outside IL at least 3 months. **Purchase date:** M M – D D – Y Y Y Y **1d** ☐

1e Estate gift for surviving spouse **1e** ☐

2 Exception - ***Write $15 on Step 5, Line 1***

2a Estate gift for beneficiary (**not** surviving spouse) **2a** ☐

2b Business reorganization **2b** ☐

2c Transferred or purchased from spouse, parent, brother, sister, or child. **Circle one.** **2c** ☐

3 Motorcycle or ATV - ***Write $25 on Step 5, Line 1*** **3** ☐

4 Table A or B - ***Write the tax determined on Step 5, Line 1***

4a If Step 3, Line 1 is **less than $15,000 use Table A.** See instructions. **4a** ☐

4b If Step 3, Line 1 is **$15,000 or more use Table B.** See instructions. **4b** ☐

Step 5: Figure your tax

1 Tax due from Step 4. **1** ___,___.00

2 Credit for tax previously paid to the state of _____. **2** ___,___.00

3 Tax due. **Subtract Line 2 from Line 1.** This is your total tax due. **3** ___,___.00

Step 6: Sign here

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct, and complete. I understand that the penalty for willfully filing a false return shall be a fine not to exceed $1,000 or imprisonment in a penal institution, other than the penitentiary not to exceed one year, or both fine and imprisonment.

Your signature Date Co-owner's signature Date

Remittance agent number (if applicable)

This form is authorized by the Illinois Vehicle Code. Disclosure of this information is REQUIRED. Failure to provide information could result in penalties. This form has been approved by the Forms Management Center. IL-492-0010

Page 1 — Revenue

Date rec'd by IL state govt

SAMPLE

RUT-50 Private Party Vehicle Use Tax Chart

The purchase price (or fair market value) of a vehicle determines which tax table to use. The purchase price of a vehicle is the value given whether received in money or otherwise; this includes cash, credits, property, or service. When there is no stated purchase price, such as in the case of a gift or even trade, the fair market value should be used. The fair market value may be obtained from a licensed dealer.

Note: A trade-in deduction is **not** allowed on this tax.

Table A

Use the table below when the purchase price (or fair market value) of a vehicle is **less than $15,000.** The tax due is determined by the model year of the vehicle.

Vehicle age (years)	Tax due ($)
1 or newer	390
2	290
3	215
4	165
5	115
6	90
7	80
8	65
9	50
10	40
11 or older	25

Table B

Use the table below when the purchase price (or fair market value) of a vehicle is **$15,000 or more.** The tax due is determined by the purchase price (or fair market value) of the vehicle.

Purchase price (or fair market value) ($)	Tax due ($)
15,000 to 19,999.99	750
20,000 to 24,999.99	1,000
25,000 to 29,999.99	1,250
30,000 or more	1,500

RUT-5

Other transaction types that may be reported on Form RUT-50 are listed below along with the required tax amount due.

Exemptions

If one of the following exemptions apply, **the tax due is $0**:

- purchaser is a tax-exempt organization
- vehicle is a farm implement primarily used in production agriculture and not required to be registered under the Illinois Vehicle Code or is a ready-mix concrete truck that qualifies under the manufacturing machinery and equipment exemption
- vehicle is used for rolling stock
- purchaser was an out-of-state resident and vehicle was used outside of Illinois for at least three months (individuals only)
- vehicle is an estate gift to a surviving spouse (including a party to a civil union).

Exceptions

If one of the following exceptions apply, **the tax due is $15:**

- vehicle is an estate gift to a beneficiary other than a surviving spouse
- vehicle is being transferred in a business reorganization
- vehicle is being transferred or purchased from a spouse (including a party to a civil union), parent, brother, sister, or child

Motorcycles or ATVS

If the purchase is a motorcycle, motor-driven cycle, 3- or 4-wheel all-terrain vehicle (ATV), or motorized pedalcycle, **the tax due is $25.**

RUT-50 General Information

This section contains a basic overview of information pertaining to filing Form RUT-50. Read all of the instructions to make sure it is the correct tax return needed to report your transaction.

Who must file Form RUT-50?

You must file Form RUT-50 if you purchase or acquire by gift or transfer a motor vehicle including cars, trucks, vans, motorcycles, motor homes, ATV's, low-speed vehicles and buses from a private party.

Note: Vehicles other than first division motor vehicles (*e.g.* trucks) purchased from leasing companies that are **not** also in the business of selling first division motor vehicles must be reported on Form RUT-50.

Trailers, snowmobiles, watercraft, aircraft, and mobile homes are not subject to this tax and are not required to be reported on Form RUT-50. Aircraft and watercraft acquired by gift, donation, transfer, or non-retail purchase from a private party are subject to tax but must be reported on Form RUT-75, Aircraft/Watercraft Use Tax Return. (See Pages 27-33 for more information.)

When is Form RUT-50 due?

Form RUT-50 is due within 30 days from the date of acquiring the motor vehicle if acquired in Illinois or within 30 days of bringing it into Illinois if acquired outside Illinois. Tax is due on the use of an item in Illinois regardless of whether you apply for title or registration.

Where are Form RUT-50 and tax payments mailed?

Form RUT-50 and any tax payment must be submitted with the application for title. Attach a separate payment for tax made payable to the "Illinois Department of Revenue" and a separate payment for title fees to the appropriate agency. Mail all title and tax documents to:

Motor vehicles

OFFICE OF THE SECRETARY OF STATE
VEHICLE SERVICES DEPARTMENT
HOWLETT BUILDING
SPRINGFIELD IL 62756

If you need assistance, call
1 800 252-8980 (general information)
217 782-6387 (registration information)
217 782-6306 (title information)
1 800 732-8866 (tax information)

RUT-50 Step-by-Step Instructions

This section provides step-by-step instructions for properly reporting purchases on Form RUT-50. Read this information carefully. If you do not complete all applicable boxes and provide the required information, it may cause delays in processing the return and, as a result, you may be subject to additional tax, penalty and interest.

Step 1: Complete the purchaser's information

Write the name and the address as it will appear on the Illinois title or registration.

Write a daytime phone number where you can be reached if we have any questions.

Provide the Social Security number (SSN) or federal employer identification number (FEIN).

Provide your driver's license number, if applicable.

Step 2: Complete the seller's information

Provide the seller's name, address, and daytime telephone number.

Step 3: Describe the vehicle - Must complete Line 1 even if no tax is due

Purchase price - You must provide the purchase price or fair market value of the motor vehicle on Line 1 to process this return even if one of the exemptions ($0 tax due), exceptions ($15 tax due), or motorcycle or ATV ($25 tax due) is claimed in Step 4.

This is the value given for a motor vehicle and may be in the form of money, credit, property, or service, but does not include a deduction for trade-in allowance. When there is no stated purchase price, as in the case of a gift or even trade, use the fair market value of the vehicle.

Attaching a copy of the bill of sale or proof of purchase may prevent future notices.

Odometer reading - Write the odometer reading of the purchased item on Line 2.

Vehicle identification number - Write the vehicle identification number (VIN) for the motor vehicle on Line 3.

Year, make, and model - Write the year, make, and model that describes the item purchased on Lines 4 and 5.

Step 4: Mark the ONE box that best describes your transaction

Mark the **ONE** box in Step 4 that best describes your transaction. You must provide additional information if you mark Box 1a, tax-exempt organization, 1c, rolling stock, or 1d, out-of-state resident.

If a box is not checked, more than one box is checked, or the additional information is not provided, you may be subject to additional tax, penalty, and interest.

Exemption 1 - Write $0 in Step 5, Line 1

Box 1a, Organization with tax-exempt status

Items purchased by or received as donations by a charitable, religious, educational, or governmental organization for use by the organization qualify for this exemption. Prior to the purchase, the organization must have an active Illinois Department of Revenue exemption number. The number will begin with the letter "E", followed by eight digits (example, E-9999-9999). Check box 1a to claim this exemption and write the "E" number in the space provided.

RUT-50 Step-by-Step Instructions

Box 1b, Farm implement or ready-mix concrete truck

Farm machinery or equipment purchased and used primarily in production agriculture (excluding motor vehicles required to be registered under the Illinois Vehicle Code), or ready-mix concrete trucks used primarily in manufacturing tangible personal property for sale qualify for this exemption. Check box 1b to claim this exemption. Keep all information to document this exemption in your books and records.

Box 1c, Rolling stock

Items purchased primarily to haul persons or commodities for hire in interstate commerce may qualify for the rolling stock exemption.

A **motor vehicle** (other than a limousine) must have a GVWR of more than 16,000 pounds and a **motor vehicle** or **limousine** must carry persons or property for hire in interstate commerce each consecutive 12-month period for more than 50 percent of the motor vehicle's total trips or miles during the period. The first 12-month period generally begins on the latter of the date of titling and registration.

An item that carries persons or property for hire but seldom or never leaves Illinois may qualify for the rolling stock exemption if enough of its trips or miles are a continuation of interstate commerce. For these trips or miles to count as a continuation of interstate commerce the person's journey or property's shipment must begin or end outside of Illinois.

At the time the motor vehicle or limousine, is purchased, the purchaser must indicate the "trips" or "miles" method on Form RUT-7, Rolling Stock Certification, to account for the rolling stock exemption. If the purchaser does not indicate "trips" or "miles," we consider the purchaser to have chosen the mileage method. For additional information on the rolling stock exemption, please see the Illinois Administrative Code, Title 86, Section 130.340. Check box 1c to claim this exemption and write the certificate of authority number, which must be in effect at the time of purchase, in the space provided.

Owners of qualifying limousines operated by carriers who do not require a certificate of authority number should instead write "limousine" in the space provided. Note: Only limousines that are first division motor vehicles may qualify for the rolling stock exemption.

You do not need to attach Form RUT-7 when filing Form RUT-50, but you must keep all required information in your books and records to document that your purchase qualifies as exempt from tax. **Note:** Attaching a copy of Form RUT-7 may prevent future notices.

If the carrier does not have a certificate of authority because the carrier only hauls exempt commodities, provide the USDOT number. The carrier must be registered as an "exempt for hire" carrier with the Federal Motor Carrier Safety Administration.

It is not the type of item that determines whether or not it qualifies for use as rolling stock, but rather how the item is used by a qualifying interstate carrier. Items do not qualify as rolling stock when they are used only

- to transport company officers, employees, customers, or others not for hire (even if the item crosses state lines); or
- to transport property that a business owns or is selling and delivering to customers (even if the items cross state lines); or
- as support vehicles (other than those specifically used for "escort" services) when the vehicles do not haul persons or commodities for hire in interstate commerce.

RUT-50 Step-by-Step Instructions

Purchases also do not qualify for this exemption when the purchaser or lessee does not have the required certificate of authority from the appropriate agency.

Box 1d, You were an out-of-state resident, item used outside Illinois at least 3 months

Items purchased by out-of-state residents (individuals only) and used outside Illinois at least three months are exempt from tax. You must surrender the out-of-state title, registration or other proof of the item's use when you apply for an Illinois title. This exemption is not available to leasing companies, lessees, businesses relocating into Illinois, individuals who used the item outside Illinois for less than three months, or military personnel whose home of record is Illinois. Check box 1d to claim this exemption and write the original date the motor vehicle was purchased or acquired in the space provided.

Box 1e, Estate gift for surviving spouse

Motor vehicles transferred as estate gifts to a surviving spouse are exempt from tax. Check box 1e to claim this exemption.

Exception 2 - Write $15 in Step 5, Line 1

Box 2a, Estate gift for beneficiary

Motor vehicles transferred as an estate gift to persons other than a surviving spouse are eligible for this exception. Check box 2a to claim this exception and write $15 tax due on Line 1 of Step 5.

Box 2b, Business reorganization

Motor vehicles which have once been subjected to Illinois tax are eligible for this exception when transferred in connection with the organization, reorganization, dissolution, or partial liquidation of an incorporated or unincorporated business wherein the beneficial ownership is not changing. Check box 2b to claim this exception and write $15 tax due on Line 1 of Step 5.

Box 2c, Transferred or purchased from spouse, parent, brother, sister, or child

Motor vehicles transferred or sold between individuals with the following family relationships are eligible for this exception. Check box 2c, and circle the family relationship between the purchaser and seller to claim this exception. Write $15 tax due on Line 1 of Step 5.

- Spouse, including party to a civil union
- Parent
- Brother
- Sister
- Child

Step relations, in-laws, and ex-spouses do not qualify as immediate family members for this exception.

The surrendered title of the motor vehicle must be in the name of the qualifying immediate family member who is selling, transferring, or giving the motor vehicle.

Motorcycle or ATV - Write $25 in Step 5, Line 1

If the motor vehicle is a motorcycle, motor-driven cycle, three-wheel or four-wheel all terrain vehicle (ATV) or a motorized pedalcycle, the motor vehicle is eligible for the reduced amount of tax. Check box 3 and write $25 tax due on Line 1 of Step 5. Low-speed vehicles do not qualify for the reduced amount.

When reporting the purchase of a motorcycle or ATV from a private party on Form RUT-50, do not figure the amount of tax due based on the purchase price and the tax tables.

RUT-50 Step-by-Step Instructions

If the motor vehicle does not qualify for one of the exemptions or exceptions, or is not a motorcycle or ATV, tax is due based on the purchase price or fair market value of the item. The price or value of the item determines which of the tables you should use to figure your tax. Do not automatically use Table A.

Table A or B - Write the tax determined on Step 5, Line 1

Box 4a, Table A

If the purchase price or fair market value reported on Line 1 of Step 3 is less than $15,000, check box 4a and use Table A. This table allows you to figure the tax due based on the age of the motor vehicle.

Box 4b, Table B

If the purchase price or fair market value reported on Line 1 of Step 3 is $15,000 or more, check box 4b and use Table B. This table is based solely on the purchase price.

You will find a sample of Form RUT-5, RUT-50 Private Party Vehicle Use Tax Chart, on Page 19 of this guide. The chart includes Table A and Table B. You can also find Table A and Table B in the instructions for Form RUT-50.

If a review of the return results in a question about the amount of the fair market value stated, the department has the authority to determine fair market value.

Step 5: Figure your tax

No trade-in deduction allowed.

Line 1 - Tax due from Step 4 - Write the amount of tax due on Line 1. Make sure all dollar amounts are clearly written and all applicable boxes in Step 4 are marked.

Line 2 - Credit for tax previously paid to the state - ***Attach proof of tax paid*** -Write the name of the state on the line provided and the amount of sales or use tax previously paid to the state on Line 2. Credit is allowed only if the tax previously paid was properly due and separately stated on the proof of tax payment that must be attached to Form RUT-50.

Step 6: Sign here

The owner and co-owner (if applicable) must sign and date Form RUT-50. If the return is not properly signed, it will be considered unprocessable, and we will send a notice to you. This notice may result in the assessment of penalty. Send Page 1 of Form RUT-50 and the required attachment to the appropriate address listed on Page 20.

RUT-50 Common Questions

When does the department use fair market value to determine tax due?

Fair market value is used when there is no stated purchase price between the purchaser and seller of a motor vehicle *(e.g.,* an even trade, gift of a motor vehicle, or as the result of a legal settlement) or when a bill of sale is not provided.

Is tax due when individuals trade motor vehicles?

Yes. There is no trade-in allowance on private party transactions. The tax amount due is determined by the purchase price or fair market value of the motor vehicle and is figured from either Table A or Table B.

Are private transactions of boats reported on Form RUT-50?

No. Boats purchased from private parties should be reported on Form RUT-75. (See Pages 27-33 for more information.)

Are private transactions of trailers reported on Form RUT-50?

No. Trailers purchased from private parties are not subject to tax and are not required to be reported on Form RUT-50.

Can the $15 exception tax for business reorganization be claimed by a business that liquidates its assets and sells a motor vehicle to an employee?

No. When a business sells a motor vehicle to an employee, the employee becomes the owner. Tax is due on the purchase price or fair market value of the motor vehicle and is figured using Table A or Table B in Step 4. The $15 exception tax can only be claimed if the beneficial ownership of the motor vehicle does not change.

What are some examples of when the $15 exception tax for business reorganization can be claimed?

Some common examples of business reorganizations when the $15 exception tax can be claimed include:

- a sole proprietorship reorganizes as a corporation with the sole proprietor as the only shareholder.
- a partnership reorganizes as a LLC but the ownership remains the same.

Is a bill of sale required to be attached to Form RUT-50?

No. You should, however, keep the bill of sale or some other proof of the purchase transaction in case there are questions concerning the information reported on the tax return. Form RUT-49, Vehicle Transaction Affidavit, may be used in lieu of a bill of sale to document the purchase price.

Note: Attaching a copy of the bill of sale or proof of purchase may prevent future notices.

If I am awarded a motor vehicle as a result of a divorce order, am I entitled to the $15 exception tax for immediate family members?

No. Prior spouses are not recognized as family members and cannot claim the $15 exception tax. In this situation, the tax due is determined by the purchase price or fair market value of the motor vehicle and is figured from Table A or Table B in Step 4.

RUT-50 Common Questions

Is tax due on a motor vehicle given as a gift?

Yes. In general, the tax amount due is determined by the purchase price or fair market value of the motor vehicle and is figured from either Table A or Table B in Step 4. If a motor vehicle is transferred as an estate gift to a beneficiary who is the surviving spouse, the transfer qualifies as exempt from tax. If a motor vehicle is transferred as an estate gift to a beneficiary other than the surviving spouse, the transfer qualifies for the $15 exception.

Do step relations or in-laws qualify for the $15 exception tax?

No. Step relations and in-laws do not qualify for this exception tax. The $15 exception only applies to immediate family members when the relationship between the seller and purchaser of a motor vehicle is a spouse (including a party to a civil union), mother, father, brother, sister, or child.

How can Form RUT-50 be corrected?

If you have previously filed a Form RUT-50 and now need to correct the return, you must complete and file Form RUT-50-X, Amended Private Party Vehicle Use Tax Transaction. Forms can be obtained on our website at **tax.illinois.gov**.

Sample RUT-75

Illinois Department of Revenue **AW**

RUT-75 Aircraft/Watercraft Use Tax Transaction Return

REV 02 FORM 91
RC CA ED STA 751
(R 9/10)

Step 1: Complete the buyer or new owner information

1 Name:

2 Co-owner(s):

3 Street address:

City, State, ZIP:

4 Daytime phone: (_____) _____ - _____

5 ☐ SSN **or** ☐ FEIN:

6 ☐ Check here if you acquired a **watercraft** from a spouse, parent, brother, sister, or child.

Step 2: Complete the prior owner (seller, donor, or other transferor) information

1 Name:

2 Address:

3 Daytime phone: (_____) _____ - _____

Step 3: Describe the item

1 Year:

2 Make:

3 Model:

4 Date acquired: M M – D D – Y Y Y Y

5 Date brought into Illinois: M M – D D – Y Y Y Y

6 Aircraft information only:

a Serial number:

b "N" number:

c Aircraft/airframe hours:

7 Watercraft information only:

a Hull ID number:

b Type:

c Length in feet:

SAMPLE

Step 4: Mark the box that best describes your transaction *if* exempt from tax

Skip to Step 5 if your transaction is taxable.

a Organization with tax-exempt status - provide exemption number: E ☐ a

b Rolling stock. **Aircraft** - provide certificate of authority number: ☐ b

c Item was a gift from an estate to a surviving spouse. ☐ c

d Item was acquired outside of Illinois and, brought into and stored temporarily in Illinois. It will be removed and never returned to Illinois. ☐ d

e Item is used primarily in production agriculture and qualifies for the farm machinery and equipment exemption. ☐ e

f Watercraft exempt under the Watercraft Use Tax Law, Section 15-10(v). ☐ f

Step 5: Figure tax - attach a copy of the purchase agreement or invoice

Round to the nearest dollar

No trade-in deduction allowed.

1 Purchase price or fair market value.
Aircraft - *attach a copy of the FAA bill of sale.* 1 ___,___,___.00

2 Multiply Line 1 by **6.25%** (.0625) 2 ___,___,___.00

3 Credit for tax previously paid to State's name
Attach proof of tax paid. 3 ___,___,___.00

4 Tax due. **Subtract Line 3 from Line 2.** This is your total amount due.
Make your remittance payable to **"Illinois Department of Revenue"**. 4 ___,___,___.00

Step 6: Sign here

Under penalties of perjury, I declare that I have examined this return and, to the best of my knowledge, it is true, correct, and complete. I understand that the penalty for willfully filing a false return shall be a fine not to exceed $1,000 or imprisonment in a penal institution, other than the penitentiary, not to exceed one year, or both fine and imprisonment.

Your signature Date Co-owner's signature Date

This form is authorized by the Illinois Aircraft Use Tax Act and Illinois Watercraft Use Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in penalties. This form has been approved by the Forms Management Center. IL-492-4350

Page 1 — Revenue

Date rec'd by IL state govt.

RUT-75 General Information

This section contains a basic overview of information pertaining to filing Form RUT-75. Read all of the instructions to make sure it is the correct tax return needed to report your transaction.

Who must file Form RUT-75?

Form RUT-75 must be filed by a person or business who:

- acquired an aircraft or watercraft by gift, donation, transfer, or non-retail purchase from a private party for use in Illinois, or
- moved into Illinois with an aircraft or watercraft he or she owns that was originally acquired by gift, donation, transfer, or non-retail purchase from a private party for use in Illinois.

For purposes of this guide, "non-retail purchase" means a purchase from a person or business that is not in the business of selling aircraft or watercraft at retail.

Watercraft Use Tax is imposed on Class 2, Class 3, and Class 4 watercraft, and personal watercraft. Reference page 7 for additional information.

Other than personal watercraft, Class A watercraft (canoes, kayaks, and non-motorized paddle boats) and Class 1 watercraft (all watercraft less than 16 feet in length other than canoes, kayaks, and non-motorized paddle boats) are not included in the definition of watercraft for tax purposes and are not reported on Form RUT-75.

When is Form RUT-75 due?

Form RUT-75 is due within 30 days from the date of acquisition or the date the item is brought into Illinois, whichever is later. Tax is due on the use of an aircraft or watercraft in Illinois regardless of whether you apply for title or registration.

Where are Form RUT-75 and tax payments mailed?

Form RUT-75 and any tax payment must be submitted with the application for registration. Attach a separate payment for tax made payable to the "Illinois Department of Revenue" and a separate payment for registration fees to the appropriate agency. Mail all registration and tax documents to

Aircraft

ILLINOIS DEPARTMENT OF TRANSPORTATION
DIVISION OF AERONAUTICS
ABRAHAM LINCOLN CAPITAL AIRPORT
1 LANGHORNE BOND DRIVE
SPRINGFIELD IL 62707-8415

If you need assistance, call
1 800 554-0247 (general information)
217 785-8223 (registration information)
1 800 732-8866 (tax questions)

Watercraft

ILLINOIS DEPARTMENT OF NATURAL RESOURCES
PO BOX 19226
SPRINGFIELD IL 62794-9226

If you need assistance, call
1 800 382-1696 (general information)
217 557-0180 (registration information)
1 800 732-8866 (tax questions)

RUT-75 Step-by-Step Instructions

This section provides step-by-step instructions for properly reporting purchases on Form RUT-75. Read this information carefully. If you do not complete all applicable boxes and provide the required information, it may cause delays in processing the return and, as a result, you may be subject to additional tax, penalty, and interest.

Step 1: Complete the buyer or new owner information

Write the name of the new owner and co-owner (if applicable) and the address as it appears on the Illinois registration for the aircraft or watercraft.

Write a daytime telephone number where you can be reached if we have any questions.

Provide the Social Security number (SSN) or federal employer identification number (FEIN) of the buyer or new owner.

Check the box if you acquired a watercraft from a spouse (including a party to a civil union), parent, brother, sister, or child. If our review indicates that the primary reason for the transfer was to avoid payment of tax, we will bill you for applicable tax, penalty, and interest. The purchase price will be used as the taxable base.

Step 2: Complete the prior owner (seller, donor, or other transferor) information

Provide the prior owner, seller, donor, or other transferor name, address, and daytime telephone number.

Step 3: Describe the item

Year, make, and model - You must provide all of the information that describes the item purchased or acquired.

Date acquired and date brought into Illinois - You must provide both the date you acquired and the date you brought the item into Illinois to process your return. If the dates are not provided, you may be subject to additional tax, penalty, and interest.

Aircraft - The date acquired must be the same as the transfer date shown on the attached FAA bill of sale and purchase agreement/invoice. For leased aircraft, the date acquired must be the date the aircraft was originally purchased by the leasing company, not the contract date of the agreement, unless it is the same date. You must provide serial and aircraft identification number (N) along with the aircraft/airframe hours.

Watercraft - the date acquired must be the same date as shown on the purchase agreement/invoice. You must provide the hull identification number (Hull ID), type of watercraft, and length of the watercraft in feet.

Step 4: Mark the box that best describes your transaction if exempt from tax

Skip to Step 5 if your transaction is taxable.

Mark **ONE** box in Step 4 that best describes your transaction if exempt from tax. You must provide additional required information if you mark Box a or b.

Note: If a box is not marked, more than one box is marked, or the required information is not provided, you may be subject to additional tax, penalty, and interest.

RUT-75 Step-by-Step Instructions

If you claim an exemption, you must still write the purchase price or fair market value on Line 1 of Step 5.

Box a, Organization with tax-exempt status - provide exemption number

Items purchased by or received as donations by a charitable, religious, educational, or governmental organization for use by the organization qualify for this exemption. Prior to the purchase, the organization must have an active Illinois Department of Revenue exemption number. The number will begin with the letter "E", followed by eight digits (example, E-9999-9999). Check box a to claim this exemption and write the "E" number in the space provided.

Box b, Rolling stock. Aircraft - provide certificate of authority number

Aircraft or watercraft purchased must be used to carry persons or property for hire in interstate commerce on a regular and frequent basis to qualify for this exemption.

Any item that carries persons or property for hire but seldom or never leaves Illinois may qualify for the rolling stock exemption only when its trips or miles are a continuation of interstate commerce. For these trips or miles to count as a continuation of interstate commerce the person's journey or property's shipment must begin or end outside of Illinois.

Check box b to claim this exemption and write the certificate of authority number, which must be in effect at the time of purchase.

You do not need to attach Form RUT-7 when filing Form RUT-75, but you must keep all required information in your books and records to document that your purchase qualifies as exempt from tax. **Note:** Attaching a copy of Form RUT-7 may prevent future notices.

Box c, Item was a gift from an estate to a surviving spouse

Aircraft and watercraft transferred as estate gifts to a surviving spouse are exempt from tax. Check box c to claim this exemption.

Box d, Item was acquired outside Illinois and brought into and stored temporarily in Illinois. It will be removed and never returned to Illinois.

An aircraft or watercraft that is acquired outside Illinois and, after being brought into Illinois and stored here temporarily, is removed and never returned to Illinois may be exempt from tax.

Check box d to claim this exemption. Keep all information to document this exemption in your books and records.

Box e, Item is used primarily in production agriculture and qualifies for the farm machinery and equipment exemption

Farm machinery and equipment purchased and used primarily in production agriculture qualify for this exemption.

Check box e to claim this exemption. Keep all information to document this exemption in your books and records.

RUT-75 Step-by-Step Instructions

Box f, Watercraft exempt under the Watercraft Use Tax Law, Section 15-10(v)

Watercraft that are not required to be numbered under the Boat Registration and Safety Act **and** will not be used on Illinois waters for more than 30 days in any calendar year are exempt from tax. Regardless of time used on Illinois waters, watercraft are exempt if they are:

- owned by the United States, a state, or subdivision thereof, and used solely for official purposes and clearly identifiable; or
- used exclusively as a ship's lifeboat.

Check box f to claim this exemption.

Step 5: Figure tax - attach a copy of the purchase agreement or invoice

No trade-in deduction allowed.

Make sure all dollar amounts are clearly written and all applicable boxes in Step 4 are marked. Drop amounts of less than 50 cents, and increase amounts of 50 cents or more to the next higher dollar.

Line 1 - Purchase price or fair market value - Tax is based on the higher of the purchase price or fair market value of the watercraft or aircraft on the purchase date or date brought into Illinois, whichever is later. For watercraft transferred between immediate family members (*i.e.*, a spouse [including a party to a civil union], parents, brother, sister, or child) tax is due based on the purchase price.

The purchase price is the total consideration paid whether received in money or otherwise. This includes, but is not limited to, cash, credits, property, and services. There is no trade-in allowance for aircraft and watercraft subject to Aircraft Use Tax or Watercraft Use Tax.

If the purchase price of the aircraft or watercraft is less than the fair market value, or if you received it as a gift, you must use the fair market value on the date you acquired it or the date you brought it into Illinois, whichever is later.

If you acquire a share of an aircraft or watercraft, tax is based on the purchase price or fair market value of your share.

Write the purchase price or fair market value on Line 1, Step 5 and **attach** a copy of your purchase agreement or invoice. It must have the purchase price and tax previously paid clearly and separately stated.

For **aircraft**, **attach** a copy of the FAA bill of sale.

For **watercraft**, the purchase price or fair market value must include the value of any motor sold with, or as part of the transaction.

If our review of this return results in a question about the amount stated on Line 1, we have the authority to determine the item's fair market value through an independent valuation. We will send you a notice if additional tax is due.

Line 2 - Multiply line 1 by 6.25% (.0625) - Write the amount of tax due. The tax for Form RUT-75 is 6.25 percent (.0625) of the purchase price or fair market value, **whichever is greater.**

Line 3 - Credit for tax previously paid to another state - ***Attach proof of tax paid*** **-** You may receive credit for tax properly due and paid to another state. The tax must be separately stated on the proof of tax payment. Write the name of the state on the line provided and the amount of sales or use tax previously paid to the state on Line 3.

RUT-75 Step-by-Step Instructions

Line 4 - Tax due. - Subtract Line 3 from Line 2. Write the amount of tax due on Line 4. This is your total amount of tax due. Make your remittance payable to the **Illinois Department of Revenue** and attach it to Page 1 of the form.

Step 6: Sign here

The owner and co-owner (if applicable) must sign and date Form RUT-75. If the return is not properly signed, it will be considered unprocessable, and we will send a notice to you. This notice may result in the assessment of penalty. Send Page 1 of Form RUT-75 and the required attachments to the appropriate address listed on Page 28.

RUT-75 Common Questions

When is the fair market value of an aircraft or watercraft required in a private transaction?

The fair market value must be used when:

- the purchase price of the aircraft or watercraft is less than fair market value, ***or***
- there is no stated selling price or purchase price (*e.g.,* a trade, gift, donation, or transfer of an aircraft or watercraft, or as the result of a settlement).

Is tax due when a trade is made between individuals?

Yes. There is no trade-in allowance on private party transactions. The tax amount is determined by the purchase price or fair market value of the aircraft or watercraft.

Is a bill of sale required to be attached to Form RUT-75?

Yes. For aircraft, both the FAA bill of sale and purchase agreement/invoice must be attached to Form RUT-75 as proof of the purchase price and any sales and use tax properly due and paid to another state. For watercraft, the bill of sale or the purchase agreement/invoice is required.

Is tax due on an aircraft or watercraft received by gift or donation?

Yes. Tax is based on the fair market value of the aircraft or watercraft.

What is the tax requirement when moving into Illinois with an aircraft or watercraft I already own?

If the aircraft or watercraft was originally purchased (or acquired by gift, donation, or transfer) from an individual or non-retail party, you must complete and file Form RUT-75 within 30 days from the date you bring the aircraft or watercraft into Illinois.

If the aircraft or watercraft was originally purchased from an out-of-state dealer, other retailer, leasing company, or lending institution selling at retail, you must complete and file **Form RUT-25** within 30 days from the date you bring the aircraft or watercraft into Illinois.

We will allow credit for tax previously paid to another state only if the tax was properly due and separately stated on any proof of tax payment.

Is tax due on an aircraft or watercraft that is purchased for agricultural use?

No. Aircraft and watercraft are eligible for the farm machinery and equipment exemption if these items are used **primarily** (more than 50%) in production agriculture. For example, an aircraft used primarily for crop dusting and a watercraft used primarily for fish farming.

How can Form RUT-75 be corrected?

If you have previously filed a Form RUT-75 and now need to correct the return, you must complete and file Form RUT-75-X, Amended Aircraft/Watercraft Use Tax Transaction Return. Forms can be obtained on our website at **tax.illinois.gov.**

Forms

Form RUT-25, Vehicle Use Tax Transaction Return

Form RUT-50, Private Party Vehicle Use Tax Transaction Return

Form RUT-75, Aircraft/ Watercraft Use Tax Transaction Return

These three forms are not available for downloading or faxing because they are multiple page forms printed on NCR paper. You may obtain these forms at the facility where you title and register your item or you may call our 24-hour Forms order line at **1 800 356-6302**. Instructions for these forms are available on our website at **tax.illinois.gov.**

Other related forms

You can download any of the forms listed below by visiting our website at **tax.illinois.gov** or calling our Forms Order Line at **1 800 356-6302.**

IL-4506	Request for Copy of Tax Return
RUT-5	Private Party Vehicle Use Tax Chart
RUT-7	Rolling Stock Certification
RUT-25-E	Fleet Exemption Schedule
RUT-25-X	Amended Vehicle Use Tax Transaction Return
RUT-50-X	Amended Private Party Vehicle Use Tax Transaction Return
RUT-49	Vehicle Transaction Affidavit
RUT-60	Certification for Aircraft Exemption
RUT-75-X	Amended Aircraft/Watercraft Use Tax Transaction Return
ST-587	Equipment Exemption Certificate

You can also order forms by writing to us at:

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19010
SPRINGFIELD IL 62794-9010

Receipted Copy Information

The normal process for applying for title and registration in Illinois requires that the applicable form, from one of the three tax forms listed below, is submitted along with the application for title and/or registration to the appropriate titling agency. The specific due date for timely filing of each form follows:

- Form RUT-25 is due no later than 30 days after the purchase date or the date the item is brought into Illinois, whichever is later;
- Form RUT-50 is due no later than 30 days from the date the vehicle was purchased or acquired by gift or transfer; and
- Form RUT-75 is due no later than 30 days from the date of acquisition or the date the item is brought into Illinois, whichever is later.

When is a receipted copy of my tax form needed?

For out-of-state leasing companies, if you file the proper tax form and pay tax directly to us on behalf of your customer, your customer must have proof the tax was paid to obtain title and registration of the item.

Your customer will need a receipted copy of that tax form to submit to the titling agency when applying for title and registration.

How do I request a receipted copy of my tax form?

You may only request a receipted copy with an original return.

You may request a receipted copy of your tax form either by mail or by visiting one of the offices listed below.

To request your receipted copy by mail, you must send the following to the address below:

- Copy 1 of each original tax return and a separate remittance for each tax amount due,
- a photocopy of each tax form,
- a cover letter requesting we receipt your photocopy, and
- a postage-paid envelope with the address indicating where you want the receipted copies mailed.

We will receipt the photocopies of your tax forms at no charge by attaching an orange-colored label to the upper right-hand corner of your photocopies and returning them to you in the postage-paid envelope that you provided.

Mail your request for a receipted copy, along with your tax form and payment, to

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19042
SPRINGFIELD IL 62794-9042

To request your receipted copy in person, you must bring the following to one of the offices listed below:

- Copy 1 of each original tax return and a separate remittance for each tax amount due,
- a photocopy of each tax form, and
- a cover letter requesting we receipt your photocopy.

The Department of Revenue personnel will receipt and return to you the photocopy of your tax form.

In Chicago

Illinois Department of Revenue
Concourse Level (Secretary of State area)
100 W Randolph Street

Receipted Copy Information

Office of the Secretary of State
(Department of Revenue area)
5401 N Elston Avenue

Office of the Secretary of State
(Department of Revenue area)
5301 W Lexington Avenue

Office of Secretary of State
(Department of Revenue area)
9901 S Martin Luther King Drive

In Springfield
Illinois Department of Revenue
101 W Jefferson Street

Note: This receipted copy process was established as a special service when circumstances prevent you from following the normal process of submitting your original tax form with the application for title and registration. **Do not request a receipted copy of your tax form as a general practice of filing your tax forms.**

Can I obtain a copy of my return through some other method?

Yes. If you need a copy of your tax form, you must complete and file Form IL-4506, Request for Copy of a Tax Return. We will send you a copy of your tax form. There is a $5.00 charge for each copy you request. If you would like a certified copy, there is a $10.00 charge for each copy.

If you are requesting a copy of your tax form for the purpose of applying for title and registration, a copy alone will not be accepted in the place of an original or receipted copy. You must also provide a copy of the front and back of the canceled check which paid the tax due on the return.

What if I need additional information?

Visit our website at: **tax.illinois.gov**

Call us at: **1 800 732-8866**

Call our TDD (telecommunications device for the deaf) at: **1 800 544-5304**

Call our 24-hour Forms Order Line at: **1 800 356-6302**

Write us at: ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19044
SPRINGFIELD IL 62794-9044

Help and Resources

Informational Bulletins

The Illinois Department of Revenue issues informational bulletins and various publications that inform and assist taxpayers. Following is a list of those that pertain to motor vehicles. You can obtain these publications by visiting our website at **tax.illinois.gov** or by writing to us at:

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19015
SPRINGFIELD IL 62794-9015

FY 98-27	Tax Exemptions for Foreign Diplomatic and Consular Personnel
FY 2000-02	Change in Reporting Gross Receipts for ART
FY 2001-18	Tax Exemption for Certain Items Purchased for Lease Ends
FY 2002-02	Sales and Use Tax Exemptions for Certain Leased Property
FY 2004-04	Sales and Use Tax Changes
FY 2004-06-A	Tax on Aircraft
FY 2004-07	Transaction Return Changes
FY 2004-08	Replacement Vehicle Tax Repealed
FY 2004-17	Uniform Penalty and Interest Changes
FY 2004-23	Metro-East Mass Transit District Fee
FY 2005-01	Rolling Stock Exemption Changes
FY 2005-02	CDF Sales Tax Exemption Changes
FY 2005-03	Tire User Fee Information
FY 2005-04	Tax on Watercraft
FY 2005-13	Exemption Change
FY 2005-16	CDF Sales Tax Exemption Repealed
FY 2006-11	Recreational Vehicles and Cargo Trailers Sold to Indiana Purchasers and Exemption Change Reminder
FY 2008-01	Retailers' Occupation Tax Exemption Ends for Vehicles Sold to be Rented for One Year or Less
FY 2008-02	Tax Exemption on Aircraft
FY 2008-03	Rolling Stock Exemption Changes

Publications

PUB-8	General Information Guide for Illinois Taxpayers
PUB 103	Penalties and Interest for Illinois Taxes
PUB 104	Common Sales Tax and E911 Surcharge Exemptions
RUT-76	Transaction Return Chart
ST-9	A Guide for Reporting Sales Using Form ST-556, Sales Tax Transaction Return
ST-58	Reciprocal-Non-Reciprocal Vehicle Tax Rate Chart

Assistance

We understand that situations will arise periodically that are unique. If you have any questions that are not covered by this reference guide, please contact us at the telephone numbers or address we have listed below.

Visit: **tax.illinois.gov**

Call: **1 800 732-8866** or **217 782-3336**;
TDD (telecommunications device for the deaf) — **1 800 544-5304**

Write: ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19044
SPRINGFIELD IL 62794-9044

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