



informational

Bulletin

David Harris, Director

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

For information or forms
Visit our website at:
tax.illinois.gov

Call us at:
1 800 732-8866 or
217 782-3336

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

Register and file your return online at:
mytax.illinois.gov

New Municipal Motor Fuel Tax Allowed to be Imposed by Municipalities Located in Cook County

To: All Municipalities in Cook County

[Illinois Public Act \(P.A.\) 101-0604](#) amends the [Illinois Municipal Code, 65 ILCS 5/8-11-2.3](#), allowing municipalities located in Cook County (either wholly or in part) to impose a Municipal Motor Fuel Tax beginning **July 1, 2020**. The tax may be imposed by both home rule and non-home rule municipalities on sales of motor fuel at retail within the municipality for the operation of motor vehicles upon public highways or for the operation of recreational watercraft upon waterways. The Municipal Motor Fuel Tax does not apply to wholesale sales of motor fuel for resale. To be subject to the tax, the sales must be for the purchaser's use or consumption and not for the purpose of resale.

What is the tax rate a municipality in Cook County can impose for the Municipal Motor Fuel Tax?

A municipality in Cook County can impose the Municipal Motor Fuel Tax at a rate **not to exceed** three cents (\$0.03) per gallon. The tax must be imposed in one cent (\$.01) increments. That means, the municipality must impose the tax at the rate of one cent (\$0.01) per gallon, two cents (\$0.02) per gallon, or three cents (\$0.03) per gallon, and cannot impose the tax at the rate of any fraction of a cent.

Will the municipality located in Cook County have a Municipal Motor Fuel Tax immediately?

No. P.A. 101-0604 will have no immediate effect on municipalities in Cook County. Before the Municipal Motor Fuel Tax can take effect in the municipality, the municipality must adopt an ordinance or resolution imposing the tax.

How do municipalities in Cook County impose a Municipal Motor Fuel Tax?

The law provides that if a proper ordinance is adopted and filed with the Illinois Department of Revenue (IDOR) on or before April 1, 2020, then IDOR will administer and enforce the tax beginning on July 1, 2020. Ordinances filed on or after April 2, 2020, but on or before October 1, 2020, will be implemented by IDOR on January 1, 2021. Ordinances filed after October 1, 2020, that either newly impose the tax or make a change to the rate of an existing tax are subject to the same ordinance-filing schedule: April 1 filing deadline for July 1 implementation and October 1 filing deadline for January 1 implementation. Municipalities should submit their ordinances to the following address:

LOCAL TAX ALLOCATION DIVISION (3-500)
ILLINOIS DEPARTMENT OF REVENUE
101 W JEFFERSON
SPRINGFIELD IL 62702

Will IDOR notify the public of any municipalities in Cook County imposing the Municipal Motor Fuel Tax?

Yes. IDOR will release a bulletin to notify the public should any municipality in Cook County enact an ordinance or resolution to impose the Municipal Motor Fuel Tax. Similarly, this bulletin will be distributed to motor fuel retailers in the municipality in Cook County that has enacted the tax and will be available on IDOR's website at tax.illinois.gov.

Where can I verify the rates of Municipal Motor Fuel Tax I should be collecting?

IDOR's website at tax.illinois.gov is the best resource for up-to-date tax information. Use the Tax Rate Database on our website to look up rates for Municipal Motor Fuel Tax and other taxes. IDOR also posts rate change bulletins on its website and sends notifications to taxpayers of rate change bulletins as messages in MyTax Illinois. Taxpayers electronically filing Form MMFT-1, Municipal Motor Fuel Tax Return, using MyTax Illinois will have the rates populated for them based on the addresses where they make retail sales of motor fuel.

How does this tax affect home rule motor fuel tax?

If you currently impose a motor fuel tax under your general home rule authority, the Municipal Motor Fuel Tax authorized to be imposed under the Municipal Motor Fuel Tax Law does not affect that tax. The Municipal Motor Fuel Tax Law creates new explicit statutory authority for any municipality in Cook County to impose the Municipal Motor Fuel Tax, which IDOR will administer. If you decide to impose a Municipal Motor Fuel Tax under the Municipal Motor Fuel Tax Law, you may retain or repeal any existing motor fuel tax you currently impose under your general home rule authority. IDOR, however, does not have jurisdiction over, or administrative responsibility for, any motor fuel tax imposed under your general home rule authority.