



*i*nformational Bulletin

David Harris, Director

New Sustainable Aviation Fuel Purchase Credit Enacted

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

For information

Visit our website at:
tax.illinois.gov

Email us at:

REV.TA-Sales@illinois.gov

Call us at:

1 800 732-8866 or

217 782-3336

1 800 544-5304 (TTY)

To: All Air Common Carriers and all Form ST-70 Filers

From **July 1, 2023**, through **December 31, 2032**, sustainable aviation fuel (SAF) sold to or used by an air common carrier for use in Illinois earns sustainable aviation fuel purchase credit (SAFPC).

The amount of SAFPC earned is \$1.50 per whole gallon purchased. SAFPC is earned at the time that SAF is purchased for use in Illinois. The amount of SAFPC is based on the number of whole gallons of SAF purchased. Partial gallons will not earn a credit.

SAFPC may be used by a purchaser at the same time it is earned. SAFPC is applied toward the 6.25-percent state sales or use tax liability on the purchase of aviation fuel. Purchasers must pay any locally imposed taxes (e.g., home rule, mass transit) directly to the supplier. A qualifying purchase is considered to take place as of the date of invoice of the SAF. The credit is considered to be earned on SAF that is purchased under an installment contract or progress payment contract at the time that each installment or progress payment is invoiced and based on the number of whole gallons of SAF purchased by the installment or progress payment.

How do I claim the SAFPC on a return?

Beginning with the July 2023 reporting period, you can complete Part A of Form ST-72, Sustainable Aviation Fuel Purchase Credit Form, when you file Form ST-70, Aviation Fuel Sales and Use Tax Return, in MyTax Illinois. The SAFPC used that you enter on Form ST-72 is applied as a credit on Line 17 of Form ST-70.

How do I report gallons of SAF sold to or purchased by air common carriers?

Use Part B of Form ST-72 to report SAF sold to or purchased by air common carriers for that reporting period.

Are there limitations to the amount of SAFPC that can be earned?

Yes. Through December 31, 2032, on an annual basis, no SAFPC may be earned by an air common carrier for soybean oil-derived SAF once air common carriers in Illinois have collectively purchased SAF containing 10 million gallons of soybean oil feedstock. Complete Form ST-72 when filing Form ST-70 to report any gallons of soybean oil feedstock included in the gallons of SAF purchased or sold for that reporting period, as well as the amount of SAFPC used, if any, that is derived from soybean oil feedstock.

Are there any other reporting or recordkeeping requirements relative to SAFPC?

Form ST-70-PROD

For a sale or use of aviation fuel to qualify to earn SAFPC, taxpayers must retain in their books and records a completed copy of Form ST-70-PROD, Producer Certification of Sustainable Aviation Fuel (SAF), or an equivalent certification from the producer of the aviation fuel that the aviation fuel sold or used and for which SAFPC was earned meets the definition of sustainable aviation fuel under Section 3-87 of the Use Tax Act (35 ILCS 105/3-87). Form ST-70-PROD is available on the Illinois Department of Revenue (IDOR) website at tax.illinois.gov.

Form ST-70-C

Purchasers must complete Form ST-70-C, Sustainable Aviation Fuel Purchase Credit Certification, to certify SAFPC used on a qualifying purchase. In addition, Form ST-70-C is used by purchasers and sellers to record the earning of SAFPC, the gallons of soybean oil feedstock purchased, and soybean oil feedstock-derived SAFPC used. Purchasers and sellers should retain copies of all ST-70-Cs in their books and records to document sales in which SAFPC is earned or used. Form ST-70-C is available on IDOR's website at tax.illinois.gov.

Special Recordkeeping and Reporting Requirement for Air Common Carriers

Air common carriers must retain copies of all ST-70-Cs in their books and records and annually submit copies of those certificates to IDOR. The first mailing of certificates for purchases from July 1, 2023, through December 31, 2023, must be sent to IDOR with a postmark no later than January 22, 2024.

Send the annual certificate mailings to the following address:

SALES TAX PROCESSING DIVISION 2-242
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19013
SPRINGFIELD IL 62794-9013

Who can I contact if I have questions about the sustainable aviation fuel credit?

If you have questions, visit our website at tax.illinois.gov, email us at REV.Sales-TA@illinois.gov, or call us at 1 800 732-8866, 217 782-3336, or 1 800 544-5304 (TTY).