**Section 1500.55 Drycleaning Solvent Tax**

a) *On or after January 1, 1998, a tax is imposed on the use of a drycleaning solvent by a person engaged in the business of operating a drycleaning facility in this State at the rate of*:

1) $10 *per gallon of perchloroethylene or other chlorinated drycleaning solvent used in drycleaning operations;*

2) $2 *per gallon of petroleum-based drycleaning solvent; and*

3) *$1.75 per gallon of green solvents, unless the green solvent is used at a virgin facility, in which case the rate is $.35 per gallon. All drycleaning solvents shall be considered chlorinated solvents unless the Council determines that the solvents are petroleum-based solvents or green solvents.* (Section 65(a) of the Act)

b) In determining if a drycleaning solvent is a green solvent, the manufacturer and/or distributor of the solvent must present to the Council the solvent's material safety data sheet, the material safety data sheet of the detergents used in conjunction with the solvent, and such other information the Council deems necessary to determine if the solvent should be classified as a green solvent.

c) In accordance with this Section, the Council has determined the following solvents should be classified as a green solvent:

1) Carbon Dioxide (CO2)

2) Propylene Glycol Ether DPnB

3) Green Earth

d) *On or before the 25th day of the 1st month following the end of the calendar quarter, a seller of drycleaning solvents who has collected a tax pursuant to the Act during the previous calendar quarter, or a purchaser or end user of drycleaning solvents required to submit the tax directly to the Department, shall file a* DS-1 Form and DS-7 Form (prescribed by the Department of Revenue) *with the Department of Revenue. The Department of Revenue shall report quarterly to the Council the volume of drycleaning solvent purchased for the quarter by each licensed drycleaner. Each seller of drycleaning solvent maintaining a place of business in this State who is required or authorized to collect the tax imposed by the Act shall pay to the Department the amount of the tax at the time when he or she is required to file his or her return for the period during which the tax was collected. Purchasers or end users remitting the tax directly to the Department shall file a* DS-1 Form *with the Department of Revenue and pay the tax so incurred by the purchaser or end user during the preceding calendar quarter. Except as provided in this Section, the seller of drycleaning solvents filing the return under this Section shall, at the time of filing the return, pay to the Department the amount of tax imposed by the Act less a discount of 1.75%, or $5 per calendar year, whichever is greater. Failure to timely file the returns and provide to the Department the data requested under the Act will result in disallowance of the reimbursement discount.* (Section 65(f) of the Act) Failure to timely file the returns and provide the required information requested by the Department of Revenue on the DS-1 Form or the DS-7 Form or failure to properly and correctly complete the returns and all supporting schedules will also result in assessment of a civil penalty of $500 per return.

e) *On and after January 1, 1998, no person shall knowingly sell or transfer drycleaning solvent to an operator of a drycleaning facility that is not licensed by the Council under Section 60* ofthe *Act.* (Section 65(h) of the Act) *Any person who violates* Section 65(d) of the Actby providing a false certification or Section 65(h) of the Act by selling or delivering drycleaning solvent to an unlicensed drycleaner will be assessed a *$500* *civil penalty for the first violation* and a *$5,000 civil penalty* *for the second* and all *subsequent violations.* (Section 69(b)(2) of the Act)

AGENCY NOTE: It is the Council's intent that the civil penalty authorized under 415 ILCS 135/65(b)(2) be set at the maximum allowed to discourage the sale and distribution of drycleaning solvent to unlicensed drycleaners. In the event assessed civil penalties are litigated, the Council understands the courts may make other determinations as to the amount of the civil penalties imposed.

f) *On or after January 1, 1998, no person shall engage in the business of selling drycleaning solvents in this State without a certificate of registration issued by the Department of Revenue.* (Section 67 of the Act) *Any person who violates Section 67 of the Act shall be liable for a civil penalty of $100 per day for each day the person is not registered to sell drycleaning solvents.* (Section 69(b)(3) of the Act)

(Source: Amended at 36 Ill. Reg. 18521, effective December 13, 2012)