



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3126

Introduced 2/23/2011, by Rep. Randy Ramey, Jr.

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-61
35 ILCS 110/3-51
35 ILCS 115/2d
35 ILCS 120/2-51

Amends the Use Tax Act, Service Use Tax Act, Service Occupation Tax Act, and Retailers' Occupation Tax Act. Provides that beginning on July 1, 2011, "use as rolling stock moving in interstate commerce" occurs for motor vehicles when during a 12-month period the rolling stock has carried persons or property for hire in interstate commerce for greater than 25% (now, 50%) of its total trips for that period or for greater than 25% (now, 50%) of its total miles for that period. Effective immediately.

LRB097 08928 HLH 49060 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Use Tax Act is amended by changing Section
5 3-61 as follows:

6 (35 ILCS 105/3-61)

7 Sec. 3-61. Motor vehicles; trailers; use as rolling stock
8 definition.

9 (a) Through June 30, 2003, "use as rolling stock moving in
10 interstate commerce" in subsections (b) and (c) of Section 3-55
11 means for motor vehicles, as defined in Section 1-146 of the
12 Illinois Vehicle Code, and trailers, as defined in Section
13 1-209 of the Illinois Vehicle Code, when on 15 or more
14 occasions in a 12-month period the motor vehicle and trailer
15 has carried persons or property for hire in interstate
16 commerce, even just between points in Illinois, if the motor
17 vehicle and trailer transports persons whose journeys or
18 property whose shipments originate or terminate outside
19 Illinois. This definition applies to all property purchased for
20 the purpose of being attached to those motor vehicles or
21 trailers as a part thereof.

22 (b) On and after July 1, 2003 and through June 30, 2004,
23 "use as rolling stock moving in interstate commerce" in

1 paragraphs (b) and (c) of Section 3-55 occurs for motor
2 vehicles, as defined in Section 1-146 of the Illinois Vehicle
3 Code, when during a 12-month period the rolling stock has
4 carried persons or property for hire in interstate commerce for
5 51% of its total trips and transports persons whose journeys or
6 property whose shipments originate or terminate outside
7 Illinois. Trips that are only between points in Illinois shall
8 not be counted as interstate trips when calculating whether the
9 tangible personal property qualifies for the exemption but such
10 trips shall be included in total trips taken.

11 (c) Beginning July 1, 2011 ~~2004~~, "use as rolling stock
12 moving in interstate commerce" in paragraphs (b) and (c) of
13 Section 3-55 occurs for motor vehicles, as defined in Section
14 1-146 of the Illinois Vehicle Code, when during a 12-month
15 period the rolling stock has carried persons or property for
16 hire in interstate commerce for greater than 25% ~~50%~~ of its
17 total trips for that period or for greater than 25% ~~50%~~ of its
18 total miles for that period. The person claiming the exemption
19 shall make an election at the time of purchase to use either
20 the trips or mileage method. Persons who purchased motor
21 vehicles prior to July 1, 2004 shall make an election to use
22 either the trips or mileage method and document that election
23 in their books and records. If no election is made under this
24 subsection to use the trips or mileage method, the person shall
25 be deemed to have chosen the mileage method. Any election to
26 use either the trips or mileage method will remain in effect

1 for that motor vehicle for any period for which the Department
2 may issue a notice of tax liability under this Act.

3 For purposes of determining qualifying trips or miles,
4 motor vehicles that carry persons or property for hire, even
5 just between points in Illinois, will be considered used for
6 hire in interstate commerce if the motor vehicle transports
7 persons whose journeys or property whose shipments originate or
8 terminate outside Illinois. The exemption for motor vehicles
9 used as rolling stock moving in interstate commerce may be
10 claimed only for the following vehicles: (i) motor vehicles
11 whose gross vehicle weight rating exceeds 16,000 pounds; and
12 (ii) limousines, as defined in Section 1-139.1 of the Illinois
13 Vehicle Code. This definition applies to all property purchased
14 for the purpose of being attached to those motor vehicles as a
15 part thereof.

16 (d) Beginning July 1, 2004, "use as rolling stock moving in
17 interstate commerce" in paragraphs (b) and (c) of Section 3-55
18 occurs for trailers, as defined in Section 1-209 of the
19 Illinois Vehicle Code, semitrailers as defined in Section 1-187
20 of the Illinois Vehicle Code, and pole trailers as defined in
21 Section 1-161 of the Illinois Vehicle Code, when during a
22 12-month period the rolling stock has carried persons or
23 property for hire in interstate commerce for greater than 50%
24 of its total trips for that period or for greater than 50% of
25 its total miles for that period. The person claiming the
26 exemption for a trailer or trailers that will not be dedicated

1 to a motor vehicle or group of motor vehicles shall make an
2 election at the time of purchase to use either the trips or
3 mileage method. Persons who purchased trailers prior to July 1,
4 2004 that are not dedicated to a motor vehicle or group of
5 motor vehicles shall make an election to use either the trips
6 or mileage method and document that election in their books and
7 records. If no election is made under this subsection to use
8 the trips or mileage method, the person shall be deemed to have
9 chosen the mileage method. Any election to use either the trips
10 or mileage method will remain in effect for that trailer for
11 any period for which the Department may issue a notice of tax
12 liability under this Act.

13 For purposes of determining qualifying trips or miles,
14 trailers, semitrailers, or pole trailers that carry property
15 for hire, even just between points in Illinois, will be
16 considered used for hire in interstate commerce if the
17 trailers, semitrailers, or pole trailers transport property
18 whose shipments originate or terminate outside Illinois. This
19 definition applies to all property purchased for the purpose of
20 being attached to those trailers, semitrailers, or pole
21 trailers as a part thereof. In lieu of a person providing
22 documentation regarding the qualifying use of each individual
23 trailer, semitrailer, or pole trailer, that person may document
24 such qualifying use by providing documentation of the
25 following:

26 (1) If a trailer, semitrailer, or pole trailer is

1 dedicated to a motor vehicle that qualifies as rolling
2 stock moving in interstate commerce under subsection (c) of
3 this Section, then that trailer, semitrailer, or pole
4 trailer qualifies as rolling stock moving in interstate
5 commerce under this subsection.

6 (2) If a trailer, semitrailer, or pole trailer is
7 dedicated to a group of motor vehicles that all qualify as
8 rolling stock moving in interstate commerce under
9 subsection (c) of this Section, then that trailer,
10 semitrailer, or pole trailer qualifies as rolling stock
11 moving in interstate commerce under this subsection.

12 (3) If one or more trailers, semitrailers, or pole
13 trailers are dedicated to a group of motor vehicles and not
14 all of those motor vehicles in that group qualify as
15 rolling stock moving in interstate commerce under
16 subsection (c) of this Section, then the percentage of
17 those trailers, semitrailers, or pole trailers that
18 qualifies as rolling stock moving in interstate commerce
19 under this subsection is equal to the percentage of those
20 motor vehicles in that group that qualify as rolling stock
21 moving in interstate commerce under subsection (c) of this
22 Section to which those trailers, semitrailers, or pole
23 trailers are dedicated. However, to determine the
24 qualification for the exemption provided under this item
25 (3), the mathematical application of the qualifying
26 percentage to one or more trailers, semitrailers, or pole

1 trailers under this subpart shall not be allowed as to any
2 fraction of a trailer, semitrailer, or pole trailer.

3 (Source: P.A. 95-528, eff. 8-28-07.)

4 Section 10. The Service Use Tax Act is amended by changing
5 Section 3-51 as follows:

6 (35 ILCS 110/3-51)

7 Sec. 3-51. Motor vehicles; trailers; use as rolling stock
8 definition.

9 (a) Through June 30, 2003, "use as rolling stock moving in
10 interstate commerce" in subsection (b) of Section 3-45 means
11 for motor vehicles, as defined in Section 1-46 of the Illinois
12 Vehicle Code, and trailers, as defined in Section 1-209 of the
13 Illinois Vehicle Code, when on 15 or more occasions in a
14 12-month period the motor vehicle and trailer has carried
15 persons or property for hire in interstate commerce, even just
16 between points in Illinois, if the motor vehicle and trailer
17 transports persons whose journeys or property whose shipments
18 originate or terminate outside Illinois. This definition
19 applies to all property purchased for the purpose of being
20 attached to those motor vehicles or trailers as a part thereof.

21 (b) On and after July 1, 2003 and through June 30, 2004,
22 "use as rolling stock moving in interstate commerce" in
23 paragraphs (4) and (4a) of the definition of "sale of service"
24 in Section 2 and subsection (b) of Section 3-45 occurs for

1 motor vehicles, as defined in Section 1-146 of the Illinois
2 Vehicle Code, when during a 12-month period the rolling stock
3 has carried persons or property for hire in interstate commerce
4 for 51% of its total trips and transports persons whose
5 journeys or property whose shipments originate or terminate
6 outside Illinois. Trips that are only between points in
7 Illinois shall not be counted as interstate trips when
8 calculating whether the tangible personal property qualifies
9 for the exemption but such trips shall be included in total
10 trips taken.

11 (c) Beginning July 1, 2011 ~~2004~~, "use as rolling stock
12 moving in interstate commerce" in paragraphs (4) and (4a) of
13 the definition of "sale of service" in Section 2 and subsection
14 (b) of Section 3-45 occurs for motor vehicles, as defined in
15 Section 1-146 of the Illinois Vehicle Code, when during a
16 12-month period the rolling stock has carried persons or
17 property for hire in interstate commerce for greater than 25%
18 ~~50%~~ of its total trips for that period or for greater than 25%
19 ~~50%~~ of its total miles for that period. The person claiming the
20 exemption shall make an election at the time of purchase to use
21 either the trips or mileage method. Persons who purchased motor
22 vehicles prior to July 1, 2004 shall make an election to use
23 either the trips or mileage method and document that election
24 in their books and records. If no election is made under this
25 subsection to use the trips or mileage method, the person shall
26 be deemed to have chosen the mileage method. Any election to

1 use either the trips or mileage method will remain in effect
2 for that motor vehicle for any period for which the Department
3 may issue a notice of tax liability under this Act.

4 For purposes of determining qualifying trips or miles,
5 motor vehicles that carry persons or property for hire, even
6 just between points in Illinois, will be considered used for
7 hire in interstate commerce if the motor vehicle transports
8 persons whose journeys or property whose shipments originate or
9 terminate outside Illinois. The exemption for motor vehicles
10 used as rolling stock moving in interstate commerce may be
11 claimed only for the following vehicles: (i) motor vehicles
12 whose gross vehicle weight rating exceeds 16,000 pounds; and
13 (ii) limousines, as defined in Section 1-139.1 of the Illinois
14 Vehicle Code. This definition applies to all property purchased
15 for the purpose of being attached to those motor vehicles as a
16 part thereof.

17 (d) Beginning July 1, 2004, "use as rolling stock moving in
18 interstate commerce" in paragraphs (4) and (4a) of the
19 definition of "sale of service" in Section 2 and subsection (b)
20 of Section 3-45 occurs for trailers, as defined in Section
21 1-209 of the Illinois Vehicle Code, semitrailers as defined in
22 Section 1-187 of the Illinois Vehicle Code, and pole trailers
23 as defined in Section 1-161 of the Illinois Vehicle Code, when
24 during a 12-month period the rolling stock has carried persons
25 or property for hire in interstate commerce for greater than
26 50% of its total trips for that period or for greater than 50%

1 of its total miles for that period. The person claiming the
2 exemption for a trailer or trailers that will not be dedicated
3 to a motor vehicle or group of motor vehicles shall make an
4 election at the time of purchase to use either the trips or
5 mileage method. Persons who purchased trailers prior to July 1,
6 2004 that are not dedicated to a motor vehicle or group of
7 motor vehicles shall make an election to use either the trips
8 or mileage method and document that election in their books and
9 records. If no election is made under this subsection to use
10 the trips or mileage method, the person shall be deemed to have
11 chosen the mileage method. Any election to use either the trips
12 or mileage method will remain in effect for that trailer for
13 any period for which the Department may issue a notice of tax
14 liability under this Act.

15 For purposes of determining qualifying trips or miles,
16 trailers, semitrailers, or pole trailers that carry property
17 for hire, even just between points in Illinois, will be
18 considered used for hire in interstate commerce if the
19 trailers, semitrailers, or pole trailers transport property
20 whose shipments originate or terminate outside Illinois. This
21 definition applies to all property purchased for the purpose of
22 being attached to those trailers, semitrailers, or pole
23 trailers as a part thereof. In lieu of a person providing
24 documentation regarding the qualifying use of each individual
25 trailer, semitrailer, or pole trailer, that person may document
26 such qualifying use by providing documentation of the

1 following:

2 (1) If a trailer, semitrailer, or pole trailer is
3 dedicated to a motor vehicle that qualifies as rolling
4 stock moving in interstate commerce under subsection (c) of
5 this Section, then that trailer, semitrailer, or pole
6 trailer qualifies as rolling stock moving in interstate
7 commerce under this subsection.

8 (2) If a trailer, semitrailer, or pole trailer is
9 dedicated to a group of motor vehicles that all qualify as
10 rolling stock moving in interstate commerce under
11 subsection (c) of this Section, then that trailer,
12 semitrailer, or pole trailer qualifies as rolling stock
13 moving in interstate commerce under this subsection.

14 (3) If one or more trailers, semitrailers, or pole
15 trailers are dedicated to a group of motor vehicles and not
16 all of those motor vehicles in that group qualify as
17 rolling stock moving in interstate commerce under
18 subsection (c) of this Section, then the percentage of
19 those trailers, semitrailers, or pole trailers that
20 qualifies as rolling stock moving in interstate commerce
21 under this subsection is equal to the percentage of those
22 motor vehicles in that group that qualify as rolling stock
23 moving in interstate commerce under subsection (c) of this
24 Section to which those trailers, semitrailers, or pole
25 trailers are dedicated. However, to determine the
26 qualification for the exemption provided under this item

1 (3), the mathematical application of the qualifying
2 percentage to one or more trailers, semitrailers, or pole
3 trailers under this subpart shall not be allowed as to any
4 fraction of a trailer, semitrailer, or pole trailer.

5 (Source: P.A. 95-528, eff. 8-28-07.)

6 Section 15. The Service Occupation Tax Act is amended by
7 changing Section 2d as follows:

8 (35 ILCS 115/2d)

9 Sec. 2d. Motor vehicles; trailers; use as rolling stock
10 definition.

11 (a) Through June 30, 2003, "use as rolling stock moving in
12 interstate commerce" in subsections (d) and (d-1) of the
13 definition of "sale of service" in Section 2 means for motor
14 vehicles, as defined in Section 1-146 of the Illinois Vehicle
15 Code, and trailers, as defined in Section 1-209 of the Illinois
16 Vehicle Code, when on 15 or more occasions in a 12-month period
17 the motor vehicle and trailer has carried persons or property
18 for hire in interstate commerce, even just between points in
19 Illinois, if the motor vehicle and trailer transports persons
20 whose journeys or property whose shipments originate or
21 terminate outside Illinois. This definition applies to all
22 property purchased for the purpose of being attached to those
23 motor vehicles or trailers as a part thereof.

24 (b) On and after July 1, 2003 and through June 30, 2004,

1 "use as rolling stock moving in interstate commerce" in
2 paragraphs (d) and (d-1) of the definition of "sale of service"
3 in Section 2 occurs for motor vehicles, as defined in Section
4 1-146 of the Illinois Vehicle Code, when during a 12-month
5 period the rolling stock has carried persons or property for
6 hire in interstate commerce for 51% of its total trips and
7 transports persons whose journeys or property whose shipments
8 originate or terminate outside Illinois. Trips that are only
9 between points in Illinois will not be counted as interstate
10 trips when calculating whether the tangible personal property
11 qualifies for the exemption but such trips will be included in
12 total trips taken.

13 (c) Beginning July 1, 2011 ~~2004~~, "use as rolling stock
14 moving in interstate commerce" in paragraphs (d) and (d-1) of
15 the definition of "sale of service" in Section 2 occurs for
16 motor vehicles, as defined in Section 1-146 of the Illinois
17 Vehicle Code, when during a 12-month period the rolling stock
18 has carried persons or property for hire in interstate commerce
19 for greater than 25% ~~50%~~ of its total trips for that period or
20 for greater than 25% ~~50%~~ of its total miles for that period.
21 The person claiming the exemption shall make an election at the
22 time of purchase to use either the trips or mileage method.
23 Persons who purchased motor vehicles prior to July 1, 2004
24 shall make an election to use either the trips or mileage
25 method and document that election in their books and records.
26 If no election is made under this subsection to use the trips

1 or mileage method, the person shall be deemed to have chosen
2 the mileage method. Any election to use either the trips or
3 mileage method will remain in effect for that motor vehicle for
4 any period for which the Department may issue a notice of tax
5 liability under this Act.

6 For purposes of determining qualifying trips or miles,
7 motor vehicles that carry persons or property for hire, even
8 just between points in Illinois, will be considered used for
9 hire in interstate commerce if the motor vehicle transports
10 persons whose journeys or property whose shipments originate or
11 terminate outside Illinois. The exemption for motor vehicles
12 used as rolling stock moving in interstate commerce may be
13 claimed only for the following vehicles: (i) motor vehicles
14 whose gross vehicle weight rating exceeds 16,000 pounds; and
15 (ii) limousines, as defined in Section 1-139.1 of the Illinois
16 Vehicle Code. This definition applies to all property purchased
17 for the purpose of being attached to those motor vehicles as a
18 part thereof.

19 (d) Beginning July 1, 2004, "use as rolling stock moving in
20 interstate commerce" in paragraphs (d) and (d-1) of the
21 definition of "sale of service" in Section 2 occurs for
22 trailers, as defined in Section 1-209 of the Illinois Vehicle
23 Code, semitrailers as defined in Section 1-187 of the Illinois
24 Vehicle Code, and pole trailers as defined in Section 1-161 of
25 the Illinois Vehicle Code, when during a 12-month period the
26 rolling stock has carried persons or property for hire in

1 interstate commerce for greater than 50% of its total trips for
2 that period or for greater than 50% of its total miles for that
3 period. The person claiming the exemption for a trailer or
4 trailers that will not be dedicated to a motor vehicle or group
5 of motor vehicles shall make an election at the time of
6 purchase to use either the trips or mileage method. Persons who
7 purchased trailers prior to July 1, 2004 that are not dedicated
8 to a motor vehicle or group of motor vehicles shall make an
9 election to use either the trips or mileage method and document
10 that election in their books and records. If no election is
11 made under this subsection to use the trips or mileage method,
12 the person shall be deemed to have chosen the mileage method.
13 Any election to use either the trips or mileage method will
14 remain in effect for that trailer for any period for which the
15 Department may issue a notice of tax liability under this Act.

16 For purposes of determining qualifying trips or miles,
17 trailers, semitrailers, or pole trailers that carry property
18 for hire, even just between points in Illinois, will be
19 considered used for hire in interstate commerce if the
20 trailers, semitrailers, or pole trailers transport property
21 whose shipments originate or terminate outside Illinois. This
22 definition applies to all property purchased for the purpose of
23 being attached to those trailers, semitrailers, or pole
24 trailers as a part thereof. In lieu of a person providing
25 documentation regarding the qualifying use of each individual
26 trailer, semitrailer, or pole trailer, that person may document

1 such qualifying use by providing documentation of the
2 following:

3 (1) If a trailer, semitrailer, or pole trailer is
4 dedicated to a motor vehicle that qualifies as rolling
5 stock moving in interstate commerce under subsection (c) of
6 this Section, then that trailer, semitrailer, or pole
7 trailer qualifies as rolling stock moving in interstate
8 commerce under this subsection.

9 (2) If a trailer, semitrailer, or pole trailer is
10 dedicated to a group of motor vehicles that all qualify as
11 rolling stock moving in interstate commerce under
12 subsection (c) of this Section, then that trailer,
13 semitrailer, or pole trailer qualifies as rolling stock
14 moving in interstate commerce under this subsection.

15 (3) If one or more trailers, semitrailers, or pole
16 trailers are dedicated to a group of motor vehicles and not
17 all of those motor vehicles in that group qualify as
18 rolling stock moving in interstate commerce under
19 subsection (c) of this Section, then the percentage of
20 those trailers, semitrailers, or pole trailers that
21 qualifies as rolling stock moving in interstate commerce
22 under this subsection is equal to the percentage of those
23 motor vehicles in that group that qualify as rolling stock
24 moving in interstate commerce under subsection (c) of this
25 Section to which those trailers, semitrailers, or pole
26 trailers are dedicated. However, to determine the

1 qualification for the exemption provided under this item
2 (3), the mathematical application of the qualifying
3 percentage to one or more trailers, semitrailers, or pole
4 trailers under this subpart shall not be allowed as to any
5 fraction of a trailer, semitrailer, or pole trailer.

6 (Source: P.A. 95-528, eff. 8-28-07.)

7 Section 20. The Retailers' Occupation Tax Act is amended by
8 changing Section 2-51 as follows:

9 (35 ILCS 120/2-51)

10 Sec. 2-51. Motor vehicles; trailers; use as rolling stock
11 definition.

12 (a) Through June 30, 2003, "use as rolling stock moving in
13 interstate commerce" in paragraphs (12) and (13) of Section 2-5
14 means for motor vehicles, as defined in Section 1-146 of the
15 Illinois Vehicle Code, and trailers, as defined in Section
16 1-209 of the Illinois Vehicle Code, when on 15 or more
17 occasions in a 12-month period the motor vehicle and trailer
18 has carried persons or property for hire in interstate
19 commerce, even just between points in Illinois, if the motor
20 vehicle and trailer transports persons whose journeys or
21 property whose shipments originate or terminate outside
22 Illinois. This definition applies to all property purchased for
23 the purpose of being attached to those motor vehicles or
24 trailers as a part thereof.

1 (b) On and after July 1, 2003 and through June 30, 2004,
2 "use as rolling stock moving in interstate commerce" in
3 paragraphs (12) and (13) of Section 2-5 occurs for motor
4 vehicles, as defined in Section 1-146 of the Illinois Vehicle
5 Code, when during a 12-month period the rolling stock has
6 carried persons or property for hire in interstate commerce for
7 51% of its total trips and transports persons whose journeys or
8 property whose shipments originate or terminate outside
9 Illinois. Trips that are only between points in Illinois shall
10 not be counted as interstate trips when calculating whether the
11 tangible personal property qualifies for the exemption but such
12 trips shall be included in total trips taken.

13 (c) Beginning July 1, 2011 ~~2004~~, "use as rolling stock
14 moving in interstate commerce" in paragraphs (12) and (13) of
15 Section 2-5 occurs for motor vehicles, as defined in Section
16 1-146 of the Illinois Vehicle Code, when during a 12-month
17 period the rolling stock has carried persons or property for
18 hire in interstate commerce for greater than 25% ~~50%~~ of its
19 total trips for that period or for greater than 25% ~~50%~~ of its
20 total miles for that period. The person claiming the exemption
21 shall make an election at the time of purchase to use either
22 the trips or mileage method. Persons who purchased motor
23 vehicles prior to July 1, 2004 shall make an election to use
24 either the trips or mileage method and document that election
25 in their books and records. If no election is made under this
26 subsection to use the trips or mileage method, the person shall

1 be deemed to have chosen the mileage method. Any election to
2 use either the trips or mileage method will remain in effect
3 for that motor vehicle for any period for which the Department
4 may issue a notice of tax liability under this Act.

5 For purposes of determining qualifying trips or miles,
6 motor vehicles that carry persons or property for hire, even
7 just between points in Illinois, will be considered used for
8 hire in interstate commerce if the motor vehicle transports
9 persons whose journeys or property whose shipments originate or
10 terminate outside Illinois. The exemption for motor vehicles
11 used as rolling stock moving in interstate commerce may be
12 claimed only for the following vehicles: (i) motor vehicles
13 whose gross vehicle weight rating exceeds 16,000 pounds; and
14 (ii) limousines, as defined in Section 1-139.1 of the Illinois
15 Vehicle Code. This definition applies to all property purchased
16 for the purpose of being attached to those motor vehicles as a
17 part thereof.

18 (d) Beginning July 1, 2004, "use as rolling stock moving in
19 interstate commerce" in paragraphs (12) and (13) of Section 2-5
20 occurs for trailers, as defined in Section 1-209 of the
21 Illinois Vehicle Code, semitrailers as defined in Section 1-187
22 of the Illinois Vehicle Code, and pole trailers as defined in
23 Section 1-161 of the Illinois Vehicle Code, when during a
24 12-month period the rolling stock has carried persons or
25 property for hire in interstate commerce for greater than 50%
26 of its total trips for that period or for greater than 50% of

1 its total miles for that period. The person claiming the
2 exemption for a trailer or trailers that will not be dedicated
3 to a motor vehicle or group of motor vehicles shall make an
4 election at the time of purchase to use either the trips or
5 mileage method. Persons who purchased trailers prior to July 1,
6 2004 that are not dedicated to a motor vehicle or group of
7 motor vehicles shall make an election to use either the trips
8 or mileage method and document that election in their books and
9 records. If no election is made under this subsection to use
10 the trips or mileage method, the person shall be deemed to have
11 chosen the mileage method. Any election to use either the trips
12 or mileage method will remain in effect for that trailer for
13 any period for which the Department may issue a notice of tax
14 liability under this Act.

15 For purposes of determining qualifying trips or miles,
16 trailers, semitrailers, or pole trailers that carry property
17 for hire, even just between points in Illinois, will be
18 considered used for hire in interstate commerce if the
19 trailers, semitrailers, or pole trailers transport property
20 whose shipments originate or terminate outside Illinois. This
21 definition applies to all property purchased for the purpose of
22 being attached to those trailers, semitrailers, or pole
23 trailers as a part thereof. In lieu of a person providing
24 documentation regarding the qualifying use of each individual
25 trailer, semitrailer, or pole trailer, that person may document
26 such qualifying use by providing documentation of the

1 following:

2 (1) If a trailer, semitrailer, or pole trailer is
3 dedicated to a motor vehicle that qualifies as rolling
4 stock moving in interstate commerce under subsection (c) of
5 this Section, then that trailer, semitrailer, or pole
6 trailer qualifies as rolling stock moving in interstate
7 commerce under this subsection.

8 (2) If a trailer, semitrailer, or pole trailer is
9 dedicated to a group of motor vehicles that all qualify as
10 rolling stock moving in interstate commerce under
11 subsection (c) of this Section, then that trailer,
12 semitrailer, or pole trailer qualifies as rolling stock
13 moving in interstate commerce under this subsection.

14 (3) If one or more trailers, semitrailers, or pole
15 trailers are dedicated to a group of motor vehicles and not
16 all of those motor vehicles in that group qualify as
17 rolling stock moving in interstate commerce under
18 subsection (c) of this Section, then the percentage of
19 those trailers, semitrailers, or pole trailers that
20 qualifies as rolling stock moving in interstate commerce
21 under this subsection is equal to the percentage of those
22 motor vehicles in that group that qualify as rolling stock
23 moving in interstate commerce under subsection (c) of this
24 Section to which those trailers, semitrailers, or pole
25 trailers are dedicated. However, to determine the
26 qualification for the exemption provided under this item

1 (3), the mathematical application of the qualifying
2 percentage to one or more trailers, semitrailers, or pole
3 trailers under this subpart shall not be allowed as to any
4 fraction of a trailer, semitrailer, or pole trailer.

5 (Source: P.A. 95-528, eff. 8-28-07.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.