



# informational

## Bulletin

Constance Beard, Director

## Change in the Motor Fuel Use Tax Rate, Effective January 1, 2017 through June 30, 2017

To: All Licensed Interstate Motor Carriers

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

The Department is required to establish the "Part B" rate of the Motor Fuel Use Tax for diesel fuel, gasoline, gasohol, liquefied petroleum gas (LPG), compressed natural gas (CNG), and liquefied natural gas (LNG) as of January 1 each year. The rates listed here are effective **January 1, 2017, through June 30, 2017**<sup>1</sup>.

### What is the "Part B" rate?

The "Part B" rate is equal to 6.25 percent of the average selling price per gallon of motor fuel sold in Illinois. This average is an official figure that is computed annually.

### What are the Illinois "Part B" motor fuel rates?

The "Part B" rates for January 1, 2017, through June 30, 2017, are as follows:

Diesel <sup>2</sup>	11.9¢ per gallon
Gasoline <sup>3</sup>	11.7¢ per gallon
LPG/CNG/LNG	9.3¢ per gallon <sup>4</sup>

### How do I figure my combined Motor Fuel Use Tax rate?

The combined tax rates are as follows:

	Part "A"	Part "B"	Combined
Diesel	21.5¢	11.9¢	33.4¢ per gallon
Gasoline	19.0¢	11.7¢	30.7¢ per gallon
LPG/CNG/LNG	19.0¢	9.3¢	28.3¢ per gallon

Rate information is available at [tax.illinois.gov](http://tax.illinois.gov). Use MyTax Illinois at [tax.illinois.gov](http://tax.illinois.gov) to renew your IFTA license, order decals, and file and pay quarterly returns.

<sup>1</sup> Beginning on July 1, 2017, the International Fuel Tax Agreement (IFTA) requires LNG to be reported using diesel gallon equivalents (DGEs). Illinois taxes LNG at the rate of 19 cents per liquid gallon. A liquid gallon of LNG weighs 3.5 pounds. A DGE of LNG weighs 6.06 pounds. Therefore, each DGE reported is equal to 1.7314 liquid gallons of LNG (*i.e.*, 6.06 divided by 3.5 equals 1.7314). Beginning on July 1, 2017, the Motor Fuel Use Tax rate Illinois publishes for LNG will reflect the adjustment required to pay the proper tax rate per liquid gallon on each DGE of LNG. The Department will provide carriers with further information as this time approaches.

<sup>2</sup> Diesel fuel is defined as any product intended for use or offered for sale as a fuel for engines in which the fuel is injected into the combustion chamber and ignited by pressure without electric spark (includes biodiesel).

<sup>3</sup> Gasoline includes gasohol.

<sup>4</sup> A gallon of CNG means a quantity of compressed natural gas equal to 126.67 cubic feet of natural gas at 60 degrees Fahrenheit and one atmosphere of pressure, or a quantity of compressed natural gas that weighs 5.66 pounds. See 86 Ill. Adm. Code 500.200(c).

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