

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 696
MUNICIPAL MOTOR FUEL TAX

Section

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AUTHORITY: Implementing the Municipal Motor Fuel Tax Law [65 ILCS 5/8-11-2.3].

SOURCE: Adopted at 45 Ill. Reg. 366, effective December 21, 2020; amended at 47 Ill. Reg. 2851, effective February 7, 2023; amended at 49 Ill. Reg. 10842, effective August 8, 2025; amended at 50 Ill. Reg. _____, effective _____.

Section 696.101 Nature of the Municipal Motor Fuel Tax (Cook County)

- a) Authority to Impose Tax
Under the Municipal Motor Fuel Tax Law [65 ILCS 5/8-11-2.3] (Law), *in addition to any other tax that may be imposed, a municipality in a county with a population of over 3,000,000 inhabitants may also impose, by ordinance, a tax upon all persons engaged in the municipality in the business of selling motor fuel, as defined in the Motor Fuel Tax Law [35 ILCS 505], at retail for the operation of motor vehicles upon public highways or for the operation of recreational watercraft upon waterways. The tax may be imposed, in one cent increments, at a rate not to exceed \$0.03 per gallon of motor fuel sold at retail within the municipality for the purpose of use or consumption and not for the purpose of resale. The tax may not be imposed under this Section on aviation fuel, as defined in Section 3 of the Retailers' Occupation Tax Act [35 ILCS 120]. Notwithstanding any provisions of this Section to the contrary, a municipality whose territory lies partially in a county with a population of over 3,000,000 inhabitants and partially outside such a county may, in the alternative, impose the tax authorized under this Section in only that portion of the municipality that lies in a county with a population of over 3,000,000 inhabitants. [65 ILCS 5/8-11-2.3] The Municipal Motor Fuel Tax imposed under the Municipal Motor Fuel Tax Law is an occupation tax upon retailers of motor fuel and is administered by the Illinois Department of Revenue (Department) in the same manner as the Retailers'*

44 Occupation Tax. The tax imposed by a municipality under the Municipal Motor
45 Fuel Tax Law and this Part, and all civil penalties that may be assessed as an
46 incident of the Law and this Part, shall be collected and enforced by the
47 Department. ~~A municipality, only part of which is located in a county with a
48 population of over 3,000,000 inhabitants, qualifies as a municipality in a county
49 with a population of over 3,000,000 inhabitants and is therefore authorized to
50 impose the tax under the Law and this Part. If, however, such a municipality
51 imposes a tax under the Law and this Part, the tax must be imposed upon all
52 persons engaged in the municipality in the business of selling motor fuel, in
53 accordance with the Law, and not only those persons engaged in the business of
54 selling motor fuel in the portion of the municipality located in a county with a
55 population of over 3,000,000 inhabitants.~~

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57 b) Passing on the Tax
58 The legal incidence of the Municipal Motor Fuel Tax Law is on the seller. The
59 General Assembly has authorized persons subject to any tax imposed pursuant to
60 the authority granted in the Law to *reimburse themselves for their Municipal*
61 *Motor Fuel Tax liability by separately stating that tax as an additional charge.*
62 *The charge may be stated in combination, in a single amount, with State tax that*
63 *sellers are required to collect under the Use Tax Act [35 ILCS 105], pursuant to*
64 *such bracket schedules as the Department has prescribed (see 86 Ill. Adm. Code*
65 *150.Table A). [65 ILCS 5/8-11-2.3]*
66
67 c) Exclusion from "Gross Receipts"
68 Any amount added to the selling price of motor fuel by the seller because of a
69 Municipal Motor Fuel Tax shall not be regarded as a part of the seller's gross
70 receipts that are subject to Illinois Retailers' Occupation Tax or any local
71 occupation tax administered by the Department.
72

73 (Source: Amended at 50 Ill. Reg. _____, effective _____)