



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB1406

Introduced 1/31/2025, by Sen. Dale Fowler

#### 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, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, for aircraft purchased on or after January 1, 2025, "use as rolling stock moving in interstate commerce" occurs when, during a 24-month period (currently, a 12-month period), the rolling stock has carried persons or property for hire in interstate commerce for more than 50% of its total trips for that period or for more than 50% of its total miles for that period. Effective immediately.

LRB104 03813 HLH 13837 b

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) (Blank).

10 (b) (Blank).

11 (c) This subsection (c) applies to motor vehicles, other  
12 than limousines, purchased through June 30, 2017. For motor  
13 vehicles, other than limousines, purchased on or after July 1,  
14 2017, subsection (d-5) applies. This subsection (c) applies to  
15 limousines purchased before, on, or after July 1, 2017. "Use  
16 as rolling stock moving in interstate commerce" in paragraph  
17 (c) of Section 3-55 occurs for motor vehicles, as defined in  
18 Section 1-146 of the Illinois Vehicle Code, when during a  
19 12-month period the rolling stock has carried persons or  
20 property for hire in interstate commerce for greater than 50%  
21 of its total trips for that period or for greater than 50% of  
22 its total miles for that period. The person claiming the  
23 exemption shall make an election at the time of purchase to use

1 either the trips or mileage method. Persons who purchased  
2 motor vehicles prior to July 1, 2004 shall make an election to  
3 use either the trips or mileage method and document that  
4 election in their books and records. If no election is made  
5 under this subsection to use the trips or mileage method, the  
6 person shall be deemed to have chosen the mileage method.

7 For purposes of determining qualifying trips or miles,  
8 motor vehicles that carry persons or property for hire, even  
9 just between points in Illinois, will be considered used for  
10 hire in interstate commerce if the motor vehicle transports  
11 persons whose journeys or property whose shipments originate  
12 or terminate outside Illinois. The exemption for motor  
13 vehicles used as rolling stock moving in interstate commerce  
14 may be claimed only for the following vehicles: (i) motor  
15 vehicles whose gross vehicle weight rating exceeds 16,000  
16 pounds; and (ii) limousines, as defined in Section 1-139.1 of  
17 the Illinois Vehicle Code. Through June 30, 2017, this  
18 definition applies to all property purchased for the purpose  
19 of being attached to those motor vehicles as a part thereof. On  
20 and after July 1, 2017, this definition applies to property  
21 purchased for the purpose of being attached to limousines as a  
22 part thereof.

23 (d) For purchases made through June 30, 2017, "use as  
24 rolling stock moving in interstate commerce" in paragraph (c)  
25 of Section 3-55 occurs for trailers, as defined in Section  
26 1-209 of the Illinois Vehicle Code, semitrailers as defined in

1 Section 1-187 of the Illinois Vehicle Code, and pole trailers  
2 as defined in Section 1-161 of the Illinois Vehicle Code, when  
3 during a 12-month period the rolling stock has carried persons  
4 or property for hire in interstate commerce for greater than  
5 50% of its total trips for that period or for greater than 50%  
6 of its total miles for that period. The person claiming the  
7 exemption for a trailer or trailers that will not be dedicated  
8 to a motor vehicle or group of motor vehicles shall make an  
9 election at the time of purchase to use either the trips or  
10 mileage method. Persons who purchased trailers prior to July  
11 1, 2004 that are not dedicated to a motor vehicle or group of  
12 motor vehicles shall make an election to use either the trips  
13 or mileage method and document that election in their books  
14 and records. If no election is made under this subsection to  
15 use the trips or mileage method, the person shall be deemed to  
16 have chosen the mileage method.

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

1 trailer, semitrailer, or pole trailer, that person may  
2 document such qualifying use by providing documentation of the  
3 following:

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

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

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

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

7 (d-5) For motor vehicles and trailers purchased on or  
8 after July 1, 2017, "use as rolling stock moving in interstate  
9 commerce" means that:

10 (1) the motor vehicle or trailer is used to transport  
11 persons or property for hire;

12 (2) for purposes of the exemption under subsection (c)  
13 of Section 3-55, the purchaser who is an owner, lessor, or  
14 shipper claiming the exemption certifies that the motor  
15 vehicle or trailer will be utilized, from the time of  
16 purchase and continuing through the statute of limitations  
17 for issuing a notice of tax liability under this Act, by an  
18 interstate carrier or carriers for hire who hold, and are  
19 required by Federal Motor Carrier Safety Administration  
20 regulations to hold, an active USDOT Number with the  
21 Carrier Operation listed as "Interstate" and the Operation  
22 Classification listed as "authorized for hire", "exempt  
23 for hire", or both "authorized for hire" and "exempt for  
24 hire"; except that this paragraph (2) does not apply to a  
25 motor vehicle or trailer used at an airport to support the  
26 operation of an aircraft moving in interstate commerce, as

1 long as (i) in the case of a motor vehicle, the motor  
2 vehicle meets paragraphs (1) and (3) of this subsection  
3 (d-5) or (ii) in the case of a trailer, the trailer meets  
4 paragraph (1) of this subsection (d-5); and

5 (3) for motor vehicles, the gross vehicle weight  
6 rating exceeds 16,000 pounds.

7 The definition of "use as rolling stock moving in  
8 interstate commerce" in this subsection (d-5) applies to all  
9 property purchased on or after July 1, 2017 for the purpose of  
10 being attached to a motor vehicle or trailer as a part thereof,  
11 regardless of whether the motor vehicle or trailer was  
12 purchased before, on, or after July 1, 2017.

13 If an item ceases to meet requirements (1) through (3)  
14 under this subsection (d-5), then the tax is imposed on the  
15 selling price, allowing for a reasonable depreciation for the  
16 period during which the item qualified for the exemption.

17 For purposes of this subsection (d-5):

18 "Motor vehicle" excludes limousines, but otherwise  
19 means that term as defined in Section 1-146 of the  
20 Illinois Vehicle Code.

21 "Trailer" means (i) "trailer", as defined in Section  
22 1-209 of the Illinois Vehicle Code, (ii) "semitrailer", as  
23 defined in Section 1-187 of the Illinois Vehicle Code, and  
24 (iii) "pole trailer", as defined in Section 1-161 of the  
25 Illinois Vehicle Code.

26 (e) For aircraft purchased on or after January 1, 2014 and

1 purchased before January 1, 2025 and for watercraft purchased  
2 on or after January 1, 2014, "use as rolling stock moving in  
3 interstate commerce" in paragraph (c) of Section 3-55 occurs  
4 when, during a 12-month period, the rolling stock has carried  
5 persons or property for hire in interstate commerce for  
6 greater than 50% of its total trips for that period or for  
7 greater than 50% of its total miles for that period. For  
8 aircraft purchased on or after January 1, 2025, "use as  
9 rolling stock moving in interstate commerce" in paragraph (c)  
10 of Section 3-55 occurs when, during a 24-month period, the  
11 rolling stock has carried persons or property for hire in  
12 interstate commerce for more than 50% of its total trips for  
13 that period or for more than 50% of its total miles for that  
14 period. The person claiming the exemption shall make an  
15 election at the time of purchase to use either the trips or  
16 mileage method and document that election in their books and  
17 records. If no election is made under this subsection to use  
18 the trips or mileage method, the person shall be deemed to have  
19 chosen the mileage method. For aircraft, flight hours may be  
20 used in lieu of recording miles in determining whether the  
21 aircraft meets the mileage test in this subsection. For  
22 watercraft, nautical miles or trip hours may be used in lieu of  
23 recording miles in determining whether the watercraft meets  
24 the mileage test in this subsection.

25 Notwithstanding any other provision of law to the  
26 contrary, property purchased on or after January 1, 2014 for

1 the purpose of being attached to aircraft or watercraft as a  
2 part thereof qualifies as rolling stock moving in interstate  
3 commerce only if the aircraft or watercraft to which it will be  
4 attached qualifies as rolling stock moving in interstate  
5 commerce under the test set forth in this subsection (e),  
6 regardless of when the aircraft or watercraft was purchased.  
7 Persons who purchased aircraft or watercraft prior to January  
8 1, 2014 shall make an election to use either the trips or  
9 mileage method and document that election in their books and  
10 records for the purpose of determining whether property  
11 purchased on or after January 1, 2014 for the purpose of being  
12 attached to aircraft or watercraft as a part thereof qualifies  
13 as rolling stock moving in interstate commerce under this  
14 subsection (e).

15 (f) The election to use either the trips or mileage method  
16 made under the provisions of subsections (c), (d), or (e) of  
17 this Section will remain in effect for the duration of the  
18 purchaser's ownership of that item.

19 (Source: P.A. 100-321, eff. 8-24-17.)

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

22 (35 ILCS 110/3-51)

23 Sec. 3-51. Motor vehicles; trailers; use as rolling stock  
24 definition.

1 (a) (Blank).

2 (b) (Blank).

3 (c) This subsection (c) applies to motor vehicles, other  
4 than limousines, purchased through June 30, 2017. For motor  
5 vehicles, other than limousines, purchased on or after July 1,  
6 2017, subsection (d-5) applies. This subsection (c) applies to  
7 limousines purchased before, on, or after July 1, 2017. "Use  
8 as rolling stock moving in interstate commerce" in paragraph  
9 (4a) of the definition of "sale of service" in Section 2 and  
10 subsection (b) of Section 3-45 occurs for motor vehicles, as  
11 defined in Section 1-146 of the Illinois Vehicle Code, when  
12 during a 12-month period the rolling stock has carried persons  
13 or property for hire in interstate commerce for greater than  
14 50% of its total trips for that period or for greater than 50%  
15 of its total miles for that period. The person claiming the  
16 exemption shall make an election at the time of purchase to use  
17 either the trips or mileage method. Persons who purchased  
18 motor vehicles prior to July 1, 2004 shall make an election to  
19 use either the trips or mileage method and document that  
20 election in their books and records. If no election is made  
21 under this subsection to use the trips or mileage method, the  
22 person shall be deemed to have chosen the mileage method.

23 For purposes of determining qualifying trips or miles,  
24 motor vehicles that carry persons or property for hire, even  
25 just between points in Illinois, will be considered used for  
26 hire in interstate commerce if the motor vehicle transports

1 persons whose journeys or property whose shipments originate  
2 or terminate outside Illinois. The exemption for motor  
3 vehicles used as rolling stock moving in interstate commerce  
4 may be claimed only for the following vehicles: (i) motor  
5 vehicles whose gross vehicle weight rating exceeds 16,000  
6 pounds; and (ii) limousines, as defined in Section 1-139.1 of  
7 the Illinois Vehicle Code. Through June 30, 2017, this  
8 definition applies to all property purchased for the purpose  
9 of being attached to those motor vehicles as a part thereof. On  
10 and after July 1, 2017, this definition applies to property  
11 purchased for the purpose of being attached to limousines as a  
12 part thereof.

13 (d) For purchases made through June 30, 2017, "use as  
14 rolling stock moving in interstate commerce" in paragraph (4a)  
15 of the definition of "sale of service" in Section 2 and  
16 subsection (b) of Section 3-45 occurs for trailers, as defined  
17 in Section 1-209 of the Illinois Vehicle Code, semitrailers as  
18 defined in Section 1-187 of the Illinois Vehicle Code, and  
19 pole trailers as defined in Section 1-161 of the Illinois  
20 Vehicle Code, when during a 12-month period the rolling stock  
21 has carried persons or property for hire in interstate  
22 commerce for greater than 50% of its total trips for that  
23 period or for greater than 50% of its total miles for that  
24 period. The person claiming the exemption for a trailer or  
25 trailers that will not be dedicated to a motor vehicle or group  
26 of motor vehicles shall make an election at the time of

1 purchase to use either the trips or mileage method. Persons  
2 who purchased trailers prior to July 1, 2004 that are not  
3 dedicated to a motor vehicle or group of motor vehicles shall  
4 make an election to use either the trips or mileage method and  
5 document that election in their books and records. If no  
6 election is made under this subsection to use the trips or  
7 mileage method, the person shall be deemed to have chosen the  
8 mileage method.

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

22 (1) If a trailer, semitrailer, or pole trailer is  
23 dedicated to a motor vehicle that qualifies as rolling  
24 stock moving in interstate commerce under subsection (c)  
25 of this Section, then that trailer, semitrailer, or pole  
26 trailer qualifies as rolling stock moving in interstate

1 commerce under this subsection.

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

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

25 (d-5) For motor vehicles and trailers purchased on or  
26 after July 1, 2017, "use as rolling stock moving in interstate

1 commerce" means that:

2 (1) the motor vehicle or trailer is used to transport  
3 persons or property for hire;

4 (2) for purposes of the exemption under paragraph (4a)  
5 of the definition of "sale of service" in Section 2, the  
6 purchaser who is an owner, lessor, or shipper claiming the  
7 exemption certifies that the motor vehicle or trailer will  
8 be utilized, from the time of purchase and continuing  
9 through the statute of limitations for issuing a notice of  
10 tax liability under this Act, by an interstate carrier or  
11 carriers for hire who hold, and are required by Federal  
12 Motor Carrier Safety Administration regulations to hold,  
13 an active USDOT Number with the Carrier Operation listed  
14 as "Interstate" and the Operation Classification listed as  
15 "authorized for hire", "exempt for hire", or both  
16 "authorized for hire" and "exempt for hire"; except that  
17 this paragraph (2) does not apply to a motor vehicle or  
18 trailer used at an airport to support the operation of an  
19 aircraft moving in interstate commerce, as long as (i) in  
20 the case of a motor vehicle, the motor vehicle meets  
21 paragraphs (1) and (3) of this subsection (d-5) or (ii) in  
22 the case of a trailer, the trailer meets paragraph (1) of  
23 this subsection (d-5); and

24 (3) for motor vehicles, the gross vehicle weight  
25 rating exceeds 16,000 pounds.

26 The definition of "use as rolling stock moving in

1 interstate commerce" in this subsection (d-5) applies to all  
2 property purchased on or after July 1, 2017 for the purpose of  
3 being attached to a motor vehicle or trailer as a part thereof,  
4 regardless of whether the motor vehicle or trailer was  
5 purchased before, on, or after July 1, 2017.

6 If an item ceases to meet requirements (1) through (3)  
7 under this subsection (d-5), then the tax is imposed on the  
8 selling price, allowing for a reasonable depreciation for the  
9 period during which the item qualified for the exemption.

10 For purposes of this subsection (d-5):

11 "Motor vehicle" excludes limousines, but otherwise  
12 means that term as defined in Section 1-146 of the  
13 Illinois Vehicle Code.

14 "Trailer" means (i) "trailer", as defined in Section  
15 1-209 of the Illinois Vehicle Code, (ii) "semitrailer", as  
16 defined in Section 1-187 of the Illinois Vehicle Code, and  
17 (iii) "pole trailer", as defined in Section 1-161 of the  
18 Illinois Vehicle Code.

19 (e) For aircraft purchased on or after January 1, 2014 and  
20 purchased before January 1, 2025 and for watercraft purchased  
21 on or after January 1, 2014, "use as rolling stock moving in  
22 interstate commerce" in (i) paragraph (4a) of the definition  
23 of "sale of service" in Section 2 and (ii) subsection (b) of  
24 Section 3-45 occurs when, during a 12-month period, the  
25 rolling stock has carried persons or property for hire in  
26 interstate commerce for greater than 50% of its total trips

1 for that period or for greater than 50% of its total miles for  
2 that period. For aircraft purchased on or after January 1,  
3 2025, "use as rolling stock moving in interstate commerce" in  
4 (i) paragraph (4a) of the definition of "sale of service" in  
5 Section 2 and (ii) subsection (b) of Section 3-45 occurs when,  
6 during a 24-month period, the rolling stock has carried  
7 persons or property for hire in interstate commerce for more  
8 than 50% of its total trips for that period or for more than  
9 50% of its total miles for that period. The person claiming the  
10 exemption shall make an election at the time of purchase to use  
11 either the trips or mileage method and document that election  
12 in their books and records. If no election is made under this  
13 subsection to use the trips or mileage method, the person  
14 shall be deemed to have chosen the mileage method. For  
15 aircraft, flight hours may be used in lieu of recording miles  
16 in determining whether the aircraft meets the mileage test in  
17 this subsection. For watercraft, nautical miles or trip hours  
18 may be used in lieu of recording miles in determining whether  
19 the watercraft meets the mileage test in this subsection.

20 Notwithstanding any other provision of law to the  
21 contrary, property purchased on or after January 1, 2014 for  
22 the purpose of being attached to aircraft or watercraft as a  
23 part thereof qualifies as rolling stock moving in interstate  
24 commerce only if the aircraft or watercraft to which it will be  
25 attached qualifies as rolling stock moving in interstate  
26 commerce under the test set forth in this subsection (e),

1 regardless of when the aircraft or watercraft was purchased.  
2 Persons who purchased aircraft or watercraft prior to January  
3 1, 2014 shall make an election to use either the trips or  
4 mileage method and document that election in their books and  
5 records for the purpose of determining whether property  
6 purchased on or after January 1, 2014 for the purpose of being  
7 attached to aircraft or watercraft as a part thereof qualifies  
8 as rolling stock moving in interstate commerce under this  
9 subsection (e).

10 (f) The election to use either the trips or mileage method  
11 made under the provisions of subsections (c), (d), or (e) of  
12 this Section will remain in effect for the duration of the  
13 purchaser's ownership of that item.

14 (Source: P.A. 100-321, eff. 8-24-17.)

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

17 (35 ILCS 115/2d)

18 Sec. 2d. Motor vehicles; trailers; use as rolling stock  
19 definition.

20 (a) (Blank).

21 (b) (Blank).

22 (c) This subsection (c) applies to motor vehicles, other  
23 than limousines, purchased through June 30, 2017. For motor  
24 vehicles, other than limousines, purchased on or after July 1,

1 2017, subsection (d-5) applies. This subsection (c) applies to  
2 limousines purchased before, on, or after July 1, 2017. "Use  
3 as rolling stock moving in interstate commerce" in paragraph  
4 (d-1) of the definition of "sale of service" in Section 2  
5 occurs for motor vehicles, as defined in Section 1-146 of the  
6 Illinois Vehicle Code, when during a 12-month period the  
7 rolling stock has carried persons or property for hire in  
8 interstate commerce for greater than 50% of its total trips  
9 for that period or for greater than 50% of its total miles for  
10 that period. The person claiming the exemption shall make an  
11 election at the time of purchase to use either the trips or  
12 mileage method. Persons who purchased motor vehicles prior to  
13 July 1, 2004 shall make an election to use either the trips or  
14 mileage method and document that election in their books and  
15 records. If no election is made under this subsection to use  
16 the trips or mileage method, the person shall be deemed to have  
17 chosen the mileage method.

18 For purposes of determining qualifying trips or miles,  
19 motor vehicles that carry persons or property for hire, even  
20 just between points in Illinois, will be considered used for  
21 hire in interstate commerce if the motor vehicle transports  
22 persons whose journeys or property whose shipments originate  
23 or terminate outside Illinois. The exemption for motor  
24 vehicles used as rolling stock moving in interstate commerce  
25 may be claimed only for the following vehicles: (i) motor  
26 vehicles whose gross vehicle weight rating exceeds 16,000

1 pounds; and (ii) limousines, as defined in Section 1-139.1 of  
2 the Illinois Vehicle Code. Through June 30, 2017, this  
3 definition applies to all property purchased for the purpose  
4 of being attached to those motor vehicles as a part thereof. On  
5 and after July 1, 2017, this definition applies to property  
6 purchased for the purpose of being attached to limousines as a  
7 part thereof.

8 (d) For purchases made through June 30, 2017, "use as  
9 rolling stock moving in interstate commerce" in paragraph  
10 (d-1) of the definition of "sale of service" in Section 2  
11 occurs for trailers, as defined in Section 1-209 of the  
12 Illinois Vehicle Code, semitrailers as defined in Section  
13 1-187 of the Illinois Vehicle Code, and pole trailers as  
14 defined in Section 1-161 of the Illinois Vehicle Code, when  
15 during a 12-month period the rolling stock has carried persons  
16 or property for hire in interstate commerce for greater than  
17 50% of its total trips for that period or for greater than 50%  
18 of its total miles for that period. The person claiming the  
19 exemption for a trailer or trailers that will not be dedicated  
20 to a motor vehicle or group of motor vehicles shall make an  
21 election at the time of purchase to use either the trips or  
22 mileage method. Persons who purchased trailers prior to July  
23 1, 2004 that are not dedicated to a motor vehicle or group of  
24 motor vehicles shall make an election to use either the trips  
25 or mileage method and document that election in their books  
26 and records. If no election is made under this subsection to

1 use the trips or mileage method, the person shall be deemed to  
2 have chosen the mileage method.

3 For purposes of determining qualifying trips or miles,  
4 trailers, semitrailers, or pole trailers that carry property  
5 for hire, even just between points in Illinois, will be  
6 considered used for hire in interstate commerce if the  
7 trailers, semitrailers, or pole trailers transport property  
8 whose shipments originate or terminate outside Illinois. This  
9 definition applies to all property purchased for the purpose  
10 of being attached to those trailers, semitrailers, or pole  
11 trailers as a part thereof. In lieu of a person providing  
12 documentation regarding the qualifying use of each individual  
13 trailer, semitrailer, or pole trailer, that person may  
14 document such qualifying use by providing documentation of the  
15 following:

16 (1) If a trailer, semitrailer, or pole trailer is  
17 dedicated to a motor vehicle that qualifies as rolling  
18 stock moving in interstate commerce under subsection (c)  
19 of this Section, then that trailer, semitrailer, or pole  
20 trailer qualifies as rolling stock moving in interstate  
21 commerce under this subsection.

22 (2) If a trailer, semitrailer, or pole trailer is  
23 dedicated to a group of motor vehicles that all qualify as  
24 rolling stock moving in interstate commerce under  
25 subsection (c) of this Section, then that trailer,  
26 semitrailer, or pole trailer qualifies as rolling stock

1 moving in interstate commerce under this subsection.

2 (3) If one or more trailers, semitrailers, or pole  
3 trailers are dedicated to a group of motor vehicles and  
4 not all of those motor vehicles in that group qualify as  
5 rolling stock moving in interstate commerce under  
6 subsection (c) of this Section, then the percentage of  
7 those trailers, semitrailers, or pole trailers that  
8 qualifies as rolling stock moving in interstate commerce  
9 under this subsection is equal to the percentage of those  
10 motor vehicles in that group that qualify as rolling stock  
11 moving in interstate commerce under subsection (c) of this  
12 Section to which those trailers, semitrailers, or pole  
13 trailers are dedicated. However, to determine the  
14 qualification for the exemption provided under this item  
15 (3), the mathematical application of the qualifying  
16 percentage to one or more trailers, semitrailers, or pole  
17 trailers under this subpart shall not be allowed as to any  
18 fraction of a trailer, semitrailer, or pole trailer.

19 (d-5) For motor vehicles and trailers purchased on or  
20 after July 1, 2017, "use as rolling stock moving in interstate  
21 commerce" means that:

22 (1) the motor vehicle or trailer is used to transport  
23 persons or property for hire;

24 (2) for purposes of the exemption under paragraph  
25 (d-1) of the definition of "sale of service" in Section 2,  
26 the purchaser who is an owner, lessor, or shipper claiming

1 the exemption certifies that the motor vehicle or trailer  
2 will be utilized, from the time of purchase and continuing  
3 through the statute of limitations for issuing a notice of  
4 tax liability under this Act, by an interstate carrier or  
5 carriers for hire who hold, and are required by Federal  
6 Motor Carrier Safety Administration regulations to hold,  
7 an active USDOT Number with the Carrier Operation listed  
8 as "Interstate" and the Operation Classification listed as  
9 "authorized for hire", "exempt for hire", or both  
10 "authorized for hire" and "exempt for hire"; except that  
11 this paragraph (2) does not apply to a motor vehicle or  
12 trailer used at an airport to support the operation of an  
13 aircraft moving in interstate commerce, as long as (i) in  
14 the case of a motor vehicle, the motor vehicle meets  
15 paragraphs (1) and (3) of this subsection (d-5) or (ii) in  
16 the case of a trailer, the trailer meets paragraph (1) of  
17 this subsection (d-5); and

18 (3) for motor vehicles, the gross vehicle weight  
19 rating exceeds 16,000 pounds.

20 The definition of "use as rolling stock moving in  
21 interstate commerce" in this subsection (d-5) applies to all  
22 property purchased on or after July 1, 2017 for the purpose of  
23 being attached to a motor vehicle or trailer as a part thereof,  
24 regardless of whether the motor vehicle or trailer was  
25 purchased before, on, or after July 1, 2017.

26 If an item ceases to meet requirements (1) through (3)

1 under this subsection (d-5), then the tax is imposed on the  
2 selling price, allowing for a reasonable depreciation for the  
3 period during which the item qualified for the exemption.

4 For purposes of this subsection (d-5):

5 "Motor vehicle" excludes limousines, but otherwise  
6 means that term as defined in Section 1-146 of the  
7 Illinois Vehicle Code.

8 "Trailer" means (i) "trailer", as defined in Section  
9 1-209 of the Illinois Vehicle Code, (ii) "semitrailer", as  
10 defined in Section 1-187 of the Illinois Vehicle Code, and  
11 (iii) "pole trailer", as defined in Section 1-161 of the  
12 Illinois Vehicle Code.

13 (e) For aircraft purchased on or after January 1, 2014 and  
14 purchased before January 1, 2025 and for watercraft purchased  
15 on or after January 1, 2014, "use as rolling stock moving in  
16 interstate commerce" in paragraph (d-1) of the definition of  
17 "sale of service" in Section 2 occurs when, during a 12-month  
18 period, the rolling stock has carried persons or property for  
19 hire in interstate commerce for greater than 50% of its total  
20 trips for that period or for greater than 50% of its total  
21 miles for that period. For aircraft purchased on or after  
22 January 1, 2025, "use as rolling stock moving in interstate  
23 commerce" in paragraph (d-1) of the definition of "sale of  
24 service" in Section 2 occurs when, during a 24-month period,  
25 the rolling stock has carried persons or property for hire in  
26 interstate commerce for more than 50% of its total trips for

1 that period or for more than 50% of its total miles for that  
2 period. The person claiming the exemption shall make an  
3 election at the time of purchase to use either the trips or  
4 mileage method and document that election in their books and  
5 records. If no election is made under this subsection to use  
6 the trips or mileage method, the person shall be deemed to have  
7 chosen the mileage method. For aircraft, flight hours may be  
8 used in lieu of recording miles in determining whether the  
9 aircraft meets the mileage test in this subsection. For  
10 watercraft, nautical miles or trip hours may be used in lieu of  
11 recording miles in determining whether the watercraft meets  
12 the mileage test in this subsection.

13 Notwithstanding any other provision of law to the  
14 contrary, property purchased on or after January 1, 2014 for  
15 the purpose of being attached to aircraft or watercraft as a  
16 part thereof qualifies as rolling stock moving in interstate  
17 commerce only if the aircraft or watercraft to which it will be  
18 attached qualifies as rolling stock moving in interstate  
19 commerce under the test set forth in this subsection (e),  
20 regardless of when the aircraft or watercraft was purchased.  
21 Persons who purchased aircraft or watercraft prior to January  
22 1, 2014 shall make an election to use either the trips or  
23 mileage method and document that election in their books and  
24 records for the purpose of determining whether property  
25 purchased on or after January 1, 2014 for the purpose of being  
26 attached to aircraft or watercraft as a part thereof qualifies

1 as rolling stock moving in interstate commerce under this  
2 subsection (e).

3 (f) The election to use either the trips or mileage method  
4 made under the provisions of subsections (c), (d), or (e) of  
5 this Section will remain in effect for the duration of the  
6 purchaser's ownership of that item.

7 (Source: P.A. 102-558, eff. 8-20-21.)

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

10 (35 ILCS 120/2-51)

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

13 (a) (Blank).

14 (b) (Blank).

15 (c) This subsection (c) applies to motor vehicles, other  
16 than limousines, purchased through June 30, 2017. For motor  
17 vehicles, other than limousines, purchased on or after July 1,  
18 2017, subsection (d-5) applies. This subsection (c) applies to  
19 limousines purchased before, on, or after July 1, 2017. "Use  
20 as rolling stock moving in interstate commerce" in paragraph  
21 (13) of Section 2-5 occurs for motor vehicles, as defined in  
22 Section 1-146 of the Illinois Vehicle Code, when during a  
23 12-month period the rolling stock has carried persons or  
24 property for hire in interstate commerce for greater than 50%

1 of its total trips for that period or for greater than 50% of  
2 its total miles for that period. The person claiming the  
3 exemption shall make an election at the time of purchase to use  
4 either the trips or mileage method. Persons who purchased  
5 motor vehicles prior to July 1, 2004 shall make an election to  
6 use either the trips or mileage method and document that  
7 election in their books and records. If no election is made  
8 under this subsection to use the trips or mileage method, the  
9 person shall be deemed to have chosen the mileage method.

10 For purposes of determining qualifying trips or miles,  
11 motor vehicles that carry persons or property for hire, even  
12 just between points in Illinois, will be considered used for  
13 hire in interstate commerce if the motor vehicle transports  
14 persons whose journeys or property whose shipments originate  
15 or terminate outside Illinois. The exemption for motor  
16 vehicles used as rolling stock moving in interstate commerce  
17 may be claimed only for the following vehicles: (i) motor  
18 vehicles whose gross vehicle weight rating exceeds 16,000  
19 pounds; and (ii) limousines, as defined in Section 1-139.1 of  
20 the Illinois Vehicle Code. Through June 30, 2017, this  
21 definition applies to all property purchased for the purpose  
22 of being attached to those motor vehicles as a part thereof. On  
23 and after July 1, 2017, this definition applies to property  
24 purchased for the purpose of being attached to limousines as a  
25 part thereof.

26 (d) For purchases made through June 30, 2017, "use as

1 rolling stock moving in interstate commerce" in paragraph (13)  
2 of Section 2-5 occurs for trailers, as defined in Section  
3 1-209 of the Illinois Vehicle Code, semitrailers as defined in  
4 Section 1-187 of the Illinois Vehicle Code, and pole trailers  
5 as defined in Section 1-161 of the Illinois Vehicle Code, when  
6 during a 12-month period the rolling stock has carried persons  
7 or property for hire in interstate commerce for greater than  
8 50% of its total trips for that period or for greater than 50%  
9 of its total miles for that period. The person claiming the  
10 exemption for a trailer or trailers that will not be dedicated  
11 to a motor vehicle or group of motor vehicles shall make an  
12 election at the time of purchase to use either the trips or  
13 mileage method. Persons who purchased trailers prior to July  
14 1, 2004 that are not dedicated to a motor vehicle or group of  
15 motor vehicles shall make an election to use either the trips  
16 or mileage method and document that election in their books  
17 and records. If no election is made under this subsection to  
18 use the trips or mileage method, the person shall be deemed to  
19 have chosen the mileage method.

20 For purposes of determining qualifying trips or miles,  
21 trailers, semitrailers, or pole trailers that carry property  
22 for hire, even just between points in Illinois, will be  
23 considered used for hire in interstate commerce if the  
24 trailers, semitrailers, or pole trailers transport property  
25 whose shipments originate or terminate outside Illinois. This  
26 definition applies to all property purchased for the purpose

1 of being attached to those trailers, semitrailers, or pole  
2 trailers as a part thereof. In lieu of a person providing  
3 documentation regarding the qualifying use of each individual  
4 trailer, semitrailer, or pole trailer, that person may  
5 document such qualifying use by providing documentation of the  
6 following:

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

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

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

1 motor vehicles in that group that qualify as rolling stock  
2 moving in interstate commerce under subsection (c) of this  
3 Section to which those trailers, semitrailers, or pole  
4 trailers are dedicated. However, to determine the  
5 qualification for the exemption provided under this item  
6 (3), the mathematical application of the qualifying  
7 percentage to one or more trailers, semitrailers, or pole  
8 trailers under this subpart shall not be allowed as to any  
9 fraction of a trailer, semitrailer, or pole trailer.

10 (d-5) For motor vehicles and trailers purchased on or  
11 after July 1, 2017, "use as rolling stock moving in interstate  
12 commerce" means that:

13 (1) the motor vehicle or trailer is used to transport  
14 persons or property for hire;

15 (2) for purposes of the exemption under paragraph (13)  
16 of Section 2-5, the purchaser who is an owner, lessor, or  
17 shipper claiming the exemption certifies that the motor  
18 vehicle or trailer will be utilized, from the time of  
19 purchase and continuing through the statute of limitations  
20 for issuing a notice of tax liability under this Act, by an  
21 interstate carrier or carriers for hire who hold, and are  
22 required by Federal Motor Carrier Safety Administration  
23 regulations to hold, an active USDOT Number with the  
24 Carrier Operation listed as "Interstate" and the Operation  
25 Classification listed as "authorized for hire", "exempt  
26 for hire", or both "authorized for hire" and "exempt for

1 hire"; except that this paragraph (2) does not apply to a  
2 motor vehicle or trailer used at an airport to support the  
3 operation of an aircraft moving in interstate commerce, as  
4 long as (i) in the case of a motor vehicle, the motor  
5 vehicle meets paragraphs (1) and (3) of this subsection  
6 (d-5) or (ii) in the case of a trailer, the trailer meets  
7 paragraph (1) of this subsection (d-5); and

8 (3) for motor vehicles, the gross vehicle weight  
9 rating exceeds 16,000 pounds.

10 The definition of "use as rolling stock moving in  
11 interstate commerce" in this subsection (d-5) applies to all  
12 property purchased on or after July 1, 2017 for the purpose of  
13 being attached to a motor vehicle or trailer as a part thereof,  
14 regardless of whether the motor vehicle or trailer was  
15 purchased before, on, or after July 1, 2017.

16 If an item ceases to meet requirements (1) through (3)  
17 under this subsection (d-5), then the tax is imposed on the  
18 selling price, allowing for a reasonable depreciation for the  
19 period during which the item qualified for the exemption.

20 For purposes of this subsection (d-5):

21 "Motor vehicle" excludes limousines, but otherwise  
22 means that term as defined in Section 1-146 of the  
23 Illinois Vehicle Code.

24 "Trailer" means (i) "trailer", as defined in Section  
25 1-209 of the Illinois Vehicle Code, (ii) "semitrailer", as  
26 defined in Section 1-187 of the Illinois Vehicle Code, and

1 (iii) "pole trailer", as defined in Section 1-161 of the  
2 Illinois Vehicle Code.

3 (e) For aircraft purchased on or after January 1, 2014 and  
4 purchased before January 1, 2025 and for watercraft purchased  
5 on or after January 1, 2014, "use as rolling stock moving in  
6 interstate commerce" in paragraph (13) of Section 2-5 occurs  
7 when, during a 12-month period, the rolling stock has carried  
8 persons or property for hire in interstate commerce for  
9 greater than 50% of its total trips for that period or for  
10 greater than 50% of its total miles for that period. For  
11 aircraft purchased on or after January 1, 2025, "use as  
12 rolling stock moving in interstate commerce" in paragraph (13)  
13 of Section 2-5 occurs when, during a 24-month period, the  
14 rolling stock has carried persons or property for hire in  
15 interstate commerce for more than 50% of its total trips for  
16 that period or for more than 50% of its total miles for that  
17 period. The person claiming the exemption shall make an  
18 election at the time of purchase to use either the trips or  
19 mileage method and document that election in their books and  
20 records. If no election is made under this subsection to use  
21 the trips or mileage method, the person shall be deemed to have  
22 chosen the mileage method. For aircraft, flight hours may be  
23 used in lieu of recording miles in determining whether the  
24 aircraft meets the mileage test in this subsection. For  
25 watercraft, nautical miles or trip hours may be used in lieu of  
26 recording miles in determining whether the watercraft meets

1 the mileage test in this subsection.

2 Notwithstanding any other provision of law to the  
3 contrary, property purchased on or after January 1, 2014 for  
4 the purpose of being attached to aircraft or watercraft as a  
5 part thereof qualifies as rolling stock moving in interstate  
6 commerce only if the aircraft or watercraft to which it will be  
7 attached qualifies as rolling stock moving in interstate  
8 commerce under the test set forth in this subsection (e),  
9 regardless of when the aircraft or watercraft was purchased.  
10 Persons who purchased aircraft or watercraft prior to January  
11 1, 2014 shall make an election to use either the trips or  
12 mileage method and document that election in their books and  
13 records for the purpose of determining whether property  
14 purchased on or after January 1, 2014 for the purpose of being  
15 attached to aircraft or watercraft as a part thereof qualifies  
16 as rolling stock moving in interstate commerce under this  
17 subsection (e).

18 (f) The election to use either the trips or mileage method  
19 made under the provisions of subsections (c), (d), or (e) of  
20 this Section will remain in effect for the duration of the  
21 purchaser's ownership of that item.

22 (Source: P.A. 100-321, eff. 8-24-17.)

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.