**Section 180.135 Rentals for Re-rental**

a) Rental receipts from rental transactions under lease terms of one year or less in which the rentee will act as a sub-rentor by re-renting the automobile to a sub-rentee under lease terms of one year or less are exempt from the Automobile Renting Occupation Tax.

b) In order to document that an auto rental transaction is an exempt rental for re-rental, the rentor must have among his records a Certificate of Automobile Re-rental from the rentee (sub-rentor) which contains the following information:

1) a short statement by the rentee that the automobile is being rented for the purpose of re-renting it to others (sub-rentees) under lease terms of one year or less;

2) the rentor's name and address;

3) the rentee's name and address;

4) the rentee's signature and date of signing;

5) the Vehicle Identification Number(s) of the automobile(s) rented for re-rental;

6) the rentee's Automobile Renting Occupation Tax or Retailers' Occupation Tax registration number issued by the Illinois Department of Revenue.

A) However, in the case of an out-of-State rentee (sub-rentor) who is not required to be so registered in Illinois, a certification that he will always re-rent and deliver the automobile(s) to his sub-rentee(s) outside Illinois pursuant to a rental agreement entered into outside Illinois may be provided in lieu of an Illinois Automobile Renting Occupation Tax registration number.

B) Except in the case of an out-of-State rentee (sub-rentor) not required to be registered who will re-rent and deliver outside Illinois, no rental shall be made tax-free on the ground of being a rental for re-rental unless the rentee (sub-rentor) has an active registration number from the Department and furnishes that number to the rentor as part of the Certificate of Automobile Re-rental.

c) If all of the automobiles rented under lease terms of one year or less to a particular rentee will be re-rented by that rentee (sub-rentor) to others (sub-rentees) under lease terms of one year or less, the rentor may take a blanket Certificate of Automobile Re-rental from that rentee (sub-rentor). Where a blanket Certificate of Automobile Re-rental is accepted, the rentor must maintain a record of all automobiles by Vehicle Identification Number rented tax-free on the basis of that blanket Certificate of Automobile Re-rental.

(Source: Amended at 25 Ill. Reg. 8323, effective June 22, 2001)