



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB3866

Introduced 2/25/2005, by Rep. David Reis - Bob Biggins - Aaron Schock - Roger Jenisch - James H. Meyer, et al.

#### 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, on July 1, 2005, the rolling stock exemption reverts to its form prior to July 1, 2003. Effective immediately.

LRB094 04094 BDD 38583 b

FISCAL NOTE ACT  
MAY APPLY

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 and beginning again on July 1,  
10 2005, "use as rolling stock moving in interstate commerce" in  
11 subsections (b) and (c) of Section 3-55 means for motor  
12 vehicles, as defined in Section 1-146 of the Illinois Vehicle  
13 Code, and trailers, as defined in Section 1-209 of the Illinois  
14 Vehicle Code, when on 15 or more occasions in a 12-month period  
15 the motor vehicle and trailer has carried persons or property  
16 for hire in interstate commerce, even just between points in  
17 Illinois, if the motor vehicle and trailer transports persons  
18 whose journeys or property whose shipments originate or  
19 terminate outside Illinois. This definition applies to all  
20 property purchased for the purpose of being attached to those  
21 motor vehicles or 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  
24 paragraphs (b) and (c) of Section 3-55 occurs for motor  
25 vehicles, as defined in Section 1-146 of the Illinois Vehicle  
26 Code, when during a 12-month period the rolling stock has  
27 carried persons or property for hire in interstate commerce for  
28 51% of its total trips and transports persons whose journeys or  
29 property whose shipments originate or terminate outside  
30 Illinois. Trips that are only between points in Illinois shall  
31 not be counted as interstate trips when calculating whether the  
32 tangible personal property qualifies for the exemption but such

1 trips shall be included in total trips taken.

2 (c) Beginning July 1, 2004 and through June 30, 2005, "use  
3 as rolling stock moving in interstate commerce" in paragraphs  
4 (b) and (c) of Section 3-55 occurs for motor vehicles, as  
5 defined in Section 1-146 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 shall make an election at the time of purchase to use  
11 either the trips or mileage method. Persons who purchased motor  
12 vehicles prior to July 1, 2004 shall make an election to use  
13 either the trips or mileage method and document that election  
14 in their books and records. If no election is made under this  
15 subsection to use the trips or mileage method, the person shall  
16 be deemed to have chosen the mileage method. Any election to  
17 use either the trips or mileage method will remain in effect  
18 for that motor vehicle for any period for which the Department  
19 may issue a notice of tax liability under this Act.

20 For purposes of determining qualifying trips or miles,  
21 motor vehicles that carry persons or property for hire, even  
22 just between points in Illinois, will be considered used for  
23 hire in interstate commerce if the motor vehicle transports  
24 persons whose journeys or property whose shipments originate or  
25 terminate outside Illinois. The exemption for motor vehicles  
26 used as rolling stock moving in interstate commerce may be  
27 claimed only for motor vehicles whose gross vehicle weight  
28 rating exceeds 16,000 pounds. This definition applies to all  
29 property purchased for the purpose of being attached to those  
30 motor vehicles as a part thereof.

31 (d) Beginning July 1, 2004 and through June 30, 2005, "use  
32 as rolling stock moving in interstate commerce" in paragraphs  
33 (b) and (c) of Section 3-55 occurs for trailers, as defined in  
34 Section 1-209 of the Illinois Vehicle Code, semitrailers as  
35 defined in Section 1-187 of the Illinois Vehicle Code, and pole  
36 trailers as defined in Section 1-161 of the Illinois Vehicle

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

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

- 31 (1) If a trailer, semitrailer, or pole trailer is  
32 dedicated to a motor vehicle that qualifies as rolling  
33 stock moving in interstate commerce under subsection (c) of  
34 this Section, then that trailer, semitrailer, or pole  
35 trailer qualifies as rolling stock moving in interstate  
36 commerce under this subsection.

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

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

24 (Source: P.A. 93-23, eff. 6-20-03; 93-1033, eff. 9-3-04.)

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

27           (35 ILCS 110/3-51)

28           Sec. 3-51. Motor vehicles; trailers; use as rolling stock  
29 definition.

30           (a) Through June 30, 2003 and beginning again on July 1,  
31 2005, "use as rolling stock moving in interstate commerce" in  
32 subsection (b) of Section 3-45 means for motor vehicles, as  
33 defined in Section 1-46 of the Illinois Vehicle Code, and  
34 trailers, as defined in Section 1-209 of the Illinois Vehicle

1 Code, when on 15 or more occasions in a 12-month period the  
2 motor vehicle and trailer has carried persons or property for  
3 hire in interstate commerce, even just between points in  
4 Illinois, if the motor vehicle and trailer transports persons  
5 whose journeys or property whose shipments originate or  
6 terminate outside Illinois. This definition applies to all  
7 property purchased for the purpose of being attached to those  
8 motor vehicles or trailers as a part thereof.

9 (b) On and after July 1, 2003 and through June 30, 2004,  
10 "use as rolling stock moving in interstate commerce" in  
11 paragraphs (4) and (4a) of the definition of "sale of service"  
12 in Section 2 and subsection (b) of Section 3-45 occurs for  
13 motor vehicles, as defined in Section 1-146 of the Illinois  
14 Vehicle Code, when during a 12-month period the rolling stock  
15 has carried persons or property for hire in interstate commerce  
16 for 51% of its total trips and transports persons whose  
17 journeys or property whose shipments originate or terminate  
18 outside Illinois. Trips that are only between points in  
19 Illinois shall not be counted as interstate trips when  
20 calculating whether the tangible personal property qualifies  
21 for the exemption but such trips shall be included in total  
22 trips taken.

23 (c) Beginning July 1, 2004 and through June 30, 2005, "use  
24 as rolling stock moving in interstate commerce" in paragraphs  
25 (4) and (4a) of the definition of "sale of service" in Section  
26 2 and subsection (b) of Section 3-45 occurs for motor vehicles,  
27 as defined in Section 1-146 of the Illinois Vehicle Code, when  
28 during a 12-month period the rolling stock has carried persons  
29 or property for hire in interstate commerce for greater than  
30 50% of its total trips for that period or for greater than 50%  
31 of its total miles for that period. The person claiming the  
32 exemption shall make an election at the time of purchase to use  
33 either the trips or mileage method. Persons who purchased motor  
34 vehicles prior to July 1, 2004 shall make an election to use  
35 either the trips or mileage method and document that election  
36 in their books and records. If no election is made under this

1 subsection to use the trips or mileage method, the person shall  
2 be deemed to have chosen the mileage method. Any election to  
3 use either the trips or mileage method will remain in effect  
4 for that motor vehicle for any period for which the Department  
5 may issue a notice of tax 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 motor vehicles whose gross vehicle weight  
14 rating exceeds 16,000 pounds. This definition applies to all  
15 property purchased for the purpose of being attached to those  
16 motor vehicles as a part thereof.

17 (d) Beginning July 1, 2004 and through June 30, 2005, "use  
18 as rolling stock moving in interstate commerce" in paragraphs  
19 (4) and (4a) of the definition of "sale of service" in Section  
20 2 and subsection (b) of Section 3-45 occurs for trailers, as  
21 defined in Section 1-209 of the Illinois Vehicle Code,  
22 semitrailers as defined in Section 1-187 of the Illinois  
23 Vehicle Code, and pole trailers as defined in Section 1-161 of  
24 the Illinois Vehicle Code, 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 for  
27 that period or for greater than 50% of its total miles for that  
28 period. The person claiming the exemption for a trailer or  
29 trailers that will not be dedicated to a motor vehicle or group  
30 of motor vehicles shall make an election at the time of  
31 purchase to use either the trips or mileage method. Persons who  
32 purchased trailers prior to July 1, 2004 that are not dedicated  
33 to a motor vehicle or group of motor vehicles shall make an  
34 election to use either the trips or mileage method and document  
35 that election in their books and records. If no election is  
36 made under this subsection to use the trips or mileage method,

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

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

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

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

30 (3) If one or more trailers, semitrailers, or pole  
31 trailers are dedicated to a group of motor vehicles and not  
32 all of those motor vehicles in that group qualify as  
33 rolling stock moving in interstate commerce under  
34 subsection (c) of this Section, then the percentage of  
35 those trailers, semitrailers, or pole trailers that  
36 qualifies as rolling stock moving in interstate commerce



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

11 (Source: P.A. 93-23, eff. 6-20-03; 93-1033, eff. 9-3-04.)

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

14 (35 ILCS 115/2d)

15 Sec. 2d. Motor vehicles; trailers; use as rolling stock  
16 definition.

17 (a) Through June 30, 2003 and beginning again on July 1,  
18 2005, "use as rolling stock moving in interstate commerce" in  
19 subsections (d) and (d-1) of the definition of "sale of  
20 service" in Section 2 means for motor vehicles, as defined in  
21 Section 1-146 of the Illinois Vehicle Code, and trailers, as  
22 defined in Section 1-209 of the Illinois Vehicle Code, when on  
23 15 or more occasions in a 12-month period the motor vehicle and  
24 trailer has carried persons or property for hire in interstate  
25 commerce, even just between points in Illinois, if the motor  
26 vehicle and trailer transports persons whose journeys or  
27 property whose shipments originate or terminate outside  
28 Illinois. This definition applies to all property purchased for  
29 the purpose of being attached to those motor vehicles or  
30 trailers as a part thereof.

31 (b) On and after July 1, 2003 and through June 30, 2004,  
32 "use as rolling stock moving in interstate commerce" in  
33 paragraphs (d) and (d-1) of the definition of "sale of service"  
34 in Section 2 occurs for motor vehicles, as defined in Section

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

10 (c) Beginning July 1, 2004 and through June 30, 2005, "use  
11 as rolling stock moving in interstate commerce" in paragraphs  
12 (d) and (d-1) of the definition of "sale of service" in Section  
13 2 occurs for motor vehicles, as defined in Section 1-146 of the  
14 Illinois Vehicle Code, when during a 12-month period the  
15 rolling stock has carried persons or property for hire in  
16 interstate commerce for greater than 50% of its total trips for  
17 that period or for greater than 50% of its total miles for that  
18 period. The person claiming the exemption shall make an  
19 election at the time of purchase to use either the trips or  
20 mileage method. Persons who purchased motor vehicles prior to  
21 July 1, 2004 shall make an election to use either the trips or  
22 mileage method and document that election in their books and  
23 records. If no election is made under this subsection to use  
24 the trips or mileage method, the person shall be deemed to have  
25 chosen the mileage method. Any election to use either the trips  
26 or mileage method will remain in effect for that motor vehicle  
27 for any period for which the Department may issue a notice of  
28 tax liability under this Act.

29 For purposes of determining qualifying trips or miles,  
30 motor vehicles that carry persons or property for hire, even  
31 just between points in Illinois, will be considered used for  
32 hire in interstate commerce if the motor vehicle transports  
33 persons whose journeys or property whose shipments originate or  
34 terminate outside Illinois. The exemption for motor vehicles  
35 used as rolling stock moving in interstate commerce may be  
36 claimed only for motor vehicles whose gross vehicle weight

1 rating exceeds 16,000 pounds. This definition applies to all  
2 property purchased for the purpose of being attached to those  
3 motor vehicles as a part thereof.

4 (d) Beginning July 1, 2004 and through June 30, 2005, "use  
5 as rolling stock moving in interstate commerce" in paragraphs  
6 (d) and (d-1) of the definition of "sale of service" in Section  
7 2 occurs for trailers, as defined in Section 1-209 of the  
8 Illinois Vehicle Code, semitrailers as defined in Section 1-187  
9 of the Illinois Vehicle Code, and pole trailers as defined in  
10 Section 1-161 of the Illinois Vehicle Code, when during a  
11 12-month period the rolling stock has carried persons or  
12 property for hire in interstate commerce for greater than 50%  
13 of its total trips for that period or for greater than 50% of  
14 its total miles for that period. The person claiming the  
15 exemption for a trailer or trailers that will not be dedicated  
16 to a motor vehicle or group of motor vehicles shall make an  
17 election at the time of purchase to use either the trips or  
18 mileage method. Persons who purchased trailers prior to July 1,  
19 2004 that are not dedicated to a motor vehicle or group of  
20 motor vehicles shall make an election to use either the trips  
21 or mileage method and document that election in their books and  
22 records. If no election is made under this subsection to use  
23 the trips or mileage method, the person shall be deemed to have  
24 chosen the mileage method. Any election to use either the trips  
25 or mileage method will remain in effect for that trailer for  
26 any period for which the Department may issue a notice of tax  
27 liability under this Act.

28 For purposes of determining qualifying trips or miles,  
29 trailers, semitrailers, or pole trailers that carry property  
30 for hire, even just between points in Illinois, will be  
31 considered used for hire in interstate commerce if the  
32 trailers, semitrailers, or pole trailers transport property  
33 whose shipments originate or terminate outside Illinois. This  
34 definition applies to all property purchased for the purpose of  
35 being attached to those trailers, semitrailers, or pole  
36 trailers as a part thereof. In lieu of a person providing

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

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

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

17 (3) If one or more trailers, semitrailers, or pole  
18 trailers are dedicated to a group of motor vehicles and not  
19 all of those motor vehicles in that group qualify as  
20 rolling stock moving in interstate commerce under  
21 subsection (c) of this Section, then the percentage of  
22 those trailers, semitrailers, or pole trailers that  
23 qualifies as rolling stock moving in interstate commerce  
24 under this subsection is equal to the percentage of those  
25 motor vehicles in that group that qualify as rolling stock  
26 moving in interstate commerce under subsection (c) of this  
27 Section to which those trailers, semitrailers, or pole  
28 trailers are dedicated. However, to determine the  
29 qualification for the exemption provided under this item  
30 (3), the mathematical application of the qualifying  
31 percentage to one or more trailers, semitrailers, or pole  
32 trailers under this subpart shall not be allowed as to any  
33 fraction of a trailer, semitrailer, or pole trailer.

34 (Source: P.A. 93-23, eff. 6-20-03; 93-1033, eff. 9-3-04.)

35 Section 20. The Retailers' Occupation Tax Act is amended by

1 changing Section 2-51 as follows:

2 (35 ILCS 120/2-51)

3 Sec. 2-51. Motor vehicles; trailers; use as rolling stock  
4 definition.

5 (a) Through June 30, 2003 and beginning again on July 1,  
6 2005, "use as rolling stock moving in interstate commerce" in  
7 paragraphs (12) and (13) of Section 2-5 means for motor  
8 vehicles, as defined in Section 1-146 of the Illinois Vehicle  
9 Code, and trailers, as defined in Section 1-209 of the Illinois  
10 Vehicle Code, when on 15 or more occasions in a 12-month period  
11 the motor vehicle and trailer has carried persons or property  
12 for hire in interstate commerce, even just between points in  
13 Illinois, if the motor vehicle and trailer transports persons  
14 whose journeys or property whose shipments originate or  
15 terminate outside Illinois. This definition applies to all  
16 property purchased for the purpose of being attached to those  
17 motor vehicles or trailers as a part thereof.

18 (b) On and after July 1, 2003 and through June 30, 2004,  
19 "use as rolling stock moving in interstate commerce" in  
20 paragraphs (12) and (13) of Section 2-5 occurs for motor  
21 vehicles, as defined in Section 1-146 of the Illinois Vehicle  
22 Code, when during a 12-month period the rolling stock has  
23 carried persons or property for hire in interstate commerce for  
24 51% of its total trips and transports persons whose journeys or  
25 property whose shipments originate or terminate outside  
26 Illinois. Trips that are only between points in Illinois shall  
27 not be counted as interstate trips when calculating whether the  
28 tangible personal property qualifies for the exemption but such  
29 trips shall be included in total trips taken.

30 (c) Beginning July 1, 2004 and through June 30, 2005, "use  
31 as rolling stock moving in interstate commerce" in paragraphs  
32 (12) and (13) of Section 2-5 occurs for motor vehicles, as  
33 defined in Section 1-146 of the Illinois Vehicle Code, when  
34 during a 12-month period the rolling stock has carried persons  
35 or property for hire in interstate commerce for greater than

1 50% of its total trips for that period or for greater than 50%  
2 of 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 motor  
5 vehicles prior to July 1, 2004 shall make an election to use  
6 either the trips or mileage method and document that election  
7 in their books and records. If no election is made under this  
8 subsection to use the trips or mileage method, the person shall  
9 be deemed to have chosen the mileage method. Any election to  
10 use either the trips or mileage method will remain in effect  
11 for that motor vehicle for any period for which the Department  
12 may issue a notice of tax liability under this Act.

13 For purposes of determining qualifying trips or miles,  
14 motor vehicles that carry persons or property for hire, even  
15 just between points in Illinois, will be considered used for  
16 hire in interstate commerce if the motor vehicle transports  
17 persons whose journeys or property whose shipments originate or  
18 terminate outside Illinois. The exemption for motor vehicles  
19 used as rolling stock moving in interstate commerce may be  
20 claimed only for motor vehicles whose gross vehicle weight  
21 rating exceeds 16,000 pounds. This definition applies to all  
22 property purchased for the purpose of being attached to those  
23 motor vehicles as a part thereof.

24 (d) Beginning July 1, 2004 and through June 30, 2005, "use  
25 as rolling stock moving in interstate commerce" in paragraphs  
26 (12) and (13) of Section 2-5 occurs for trailers, as defined in  
27 Section 1-209 of the Illinois Vehicle Code, semitrailers as  
28 defined in Section 1-187 of the Illinois Vehicle Code, and pole  
29 trailers as defined in Section 1-161 of the Illinois Vehicle  
30 Code, when during a 12-month period the rolling stock has  
31 carried persons or property for hire in interstate commerce for  
32 greater than 50% of its total trips for that period or for  
33 greater than 50% of its total miles for that period. The person  
34 claiming the exemption for a trailer or trailers that will not  
35 be dedicated to a motor vehicle or group of motor vehicles  
36 shall make an election at the time of purchase to use either

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

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

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

30 (2) If a trailer, semitrailer, or pole trailer is  
31 dedicated to a group of motor vehicles that all qualify as  
32 rolling stock moving in interstate commerce under  
33 subsection (c) of this Section, then that trailer,  
34 semitrailer, or pole trailer qualifies as rolling stock  
35 moving in interstate commerce under this subsection.

36 (3) If one or more trailers, semitrailers, or pole

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

17 (Source: P.A. 93-23, eff. 6-20-03; 93-1033, eff. 9-3-04.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.