



CITY OF DECATUR ILLINOIS

#1 GARY K. ANDERSON PLAZA DECATUR, ILLINOIS 62523-1196

Local Motor Fuel Tax



Taxpayer Responsibilities

- Retailers and bulk users must complete a registration form. Registration forms must be completed and submitted to the City no later than March 20, 2016 or twenty (20) days after commencing business or becoming a bulk user. Registration forms are available on the City website at www.decaturl.gov.
- Retailers must collect the tax from the purchaser at the point of sale.
- Bulk users must pay the tax on purchases made each month.
- There are no tax exemptions for ethanol additives.
- The only tax exempt customer is the Federal Government.
- Retailers and bulk users must remit each month's tax liability along with a remittance form by the 20th of the month following the liability month, regardless of the liability amount. The monthly tax return forms are available on the City website at www.decaturl.gov.
- Each retailer has a duty to maintain complete and accurate books, records, and accounts showing the gross receipts for the sale of motor fuel and the motor fuel taxes collected from purchasers.

Frequently Asked Questions

What is the Local Motor Fuel Tax?

As a home rule municipality, the City of Decatur can adopt certain local taxes. The Local Motor Fuel Tax is levied upon the purchase of motor fuel sold at retail within the corporate limits of the City and upon motor fuel purchased by bulk users.

What is the tax rate? Five cents (\$0.05) per gallon on non-diesel motor fuel; one cent (\$0.01) per gallon on diesel motor fuel.

When does the tax go into effect? April 1, 2016

How will the City use the Local Motor Fuel Tax revenue?

All revenue is dedicated, by ordinance, to transportation and transportation related projects.



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Frequently Asked Questions (cont.)

What is the process of collecting and remitting taxes?

Retailers and bulk users must first complete a registration form. Registration forms should be completed and submitted to the City no later than March 20, 2016 or twenty (20) days after commencing business or becoming a bulk user.

Both retailers and bulk users must remit each month's tax liability along with a tax return form by the 20th of the month following the liability month. A tax return form must be submitted regardless of the tax liability amount, even if it is zero. For example, tax collected or due from sales or purchases in the month of April are due by May 20th.

The registration form and monthly tax return forms are available on the City website at www.decaturlil.gov.

What is the filing period and remittance requirement?

Retailers and bulk users must send the tax return form and include payment of taxes due to the City of Decatur no later than the 20th of the month following the month of collection or liability. For example, tax liability for the month of April is due by May 20th.

Is there a discount for timely filing?

Yes. Any retailer or bulk purchaser may retain 1.75% of the tax collected or due if the tax return form and tax payment are submitted by the 20th day of the month succeeding the month for which the return is made. For example, tax liability for the month of April must be paid by May 20th to qualify for the discount.

Is there a penalty for late filing?

Yes. A penalty of 10% per month (or portion of a month) is due if the tax payment is not submitted by the 20th day of the month for the previous month. For example, if tax liability for the month of April is paid after May 20th, payment must include a 10% penalty; if not paid until June, a 20% penalty must be included; etc.

To whom should the check be made payable?

Checks are payable to the "City of Decatur". Mailing instructions are contained on the tax return form. The monthly tax return forms are available on the City website at www.decaturlil.gov.

Who can I contact with additional questions?

You may call the Finance Department at 217-424-2854 with questions about the tax rate, tax return form deadlines, etc.

Do distributors have to collect the tax from customers purchasing in bulk?

No. The City's ordinance requires customers who purchase motor fuel in bulk and not for resale to file the tax return and remit payment themselves. Bulk users will use the same tax return form as retailers.

Are there any exemptions?

The only tax exempt customer is the Federal Government. There is no tax exemption for ethanol additive fuels.