



To: IFTA, Inc.
IFTA Member Jurisdictions and Licensees

August 24, 2017

From: Illinois Department of Revenue

Effective July 1, 2017, Illinois Public Act 100-9 requires motor fuel distributors to sell liquefied natural gas (LNG) used as motor fuel in Diesel Gallon Equivalents (DGEs). It also requires LNG and propane to be reported and taxed in DGEs.

Although this law coincides with the IFTA ballot requirement to report LNG in DGEs, the law also changes the way propane is reported and taxed in Illinois. This means that jurisdictions will need to convert propane into DGEs on the Illinois line of their tax returns. Illinois is providing a tax rate based on DGEs.

For propane conversion to DGEs, multiply both the number of Illinois taxable gallons and the number of Illinois tax paid gallons by 0.651.

From July 1, 2017, through December 31, 2017, the tax rates are as follows:

Diesel	33.4¢ per gallon
Gasoline	30.7¢ per gallon
LPG	35.3¢ per gallon ¹
LNG	33.5¢ per gallon ²
CNG	29.1¢ per gallon ³

¹ For LPG, "gallon" means DGE. If purchased in measured gallon volumetric units instead of DGEs, the conversion ratio used to calculate the LPG rate is one gallon = 0.651 DGEs of LPG.

² For LNG, "gallon" means DGE. If purchased in measured gallon volumetric units instead of DGEs, the conversion ratio used to calculate the LNG rate is one gallon = 0.5776 DGEs of LNG.

³ For CNG, "gallon" means gasoline gallon equivalent (GGE). P.A. 100-9 defines a GGE as 5.66 pounds of CNG.

For further information, see Informational Bulletin FY 2017-15, available on our website at tax.illinois.gov.

Best regards,

A handwritten signature in black ink that reads "Trent Knoles". The signature is written in a cursive, slightly slanted style.

Trent Knoles

Illinois IFTA Commissioner