

Nonresidential taxpayers under the Electricity Excise Tax Law may elect to become self-assessing purchasers on their electricity accounts. See, 35 ILCS 640/2-10. (This is a GIL.)

December 8, 1998

Dear Mr. Xxxxxx:

This letter is in response to your letter dated October 8, 1998. We regret the delay in our response. The nature of your letter and the information you have provided require that we respond with a General Information Letter which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

PERSON suggested I contact you to clarify issues related to the self assessing of Utility tax.

We became a self assessor effective 9-01-1998. In the month of September we received our billing from our electric supplier for power received during the month of August.

Does the date we received the power or the date the utility bills us for it determine who assesses the tax.

If the date the power is received is the determining factor we were not a self assessor until September and the Utility is responsible to collect tax on power received during the month of August.

If the date of the billing is the determining factor I self assess for the billing received in September. If this is the case on the RPU-13 do I indicate the return is for the month of September when I received the bill and remit it by October 15?

Nonresidential taxpayers under the Electricity Excise Tax Law may elect to become self-assessing purchasers on their electricity accounts. 35 ILCS 640/2-10. Upon proper application and payment of a non-refundable \$200 biennial fee, the self-assessing purchasers are issued certificates of registration that permits those persons to whom they are issued to pay the tax incurred under the Electricity Excise Tax Law directly to the Department for a period of 2 years. The Department is then required to notify each self-assessing purchaser's delivering supplier or suppliers that the applicant has been registered as a self assessing-purchaser for the accounts listed by the self assessing-purchaser.

Upon notification by the Department that an applicant has been registered as a self-assessing purchaser, the delivering supplier is no longer required to collect the tax imposed by the Electricity Excise Tax Law for the accounts specifically listed by the self-assessing purchaser, until the delivering supplier is notified by the Department that the self-assessing purchaser's certificate of registration has been expired, revoked, or denied. See, 35 ILCS 640/2-10.

The Department interprets these statutory provisions to mean that once a delivering supplier receives the notice from the Department listing the effective date of the applicant's registration as a self-assessing purchaser and the copy of the applicant's RPU-5 listing the accounts chosen by the applicant, the delivering supplier is no longer required to collect Electricity Excise Tax on those accounts for any bills issued on or after that effective date. For example, if a delivering supplier received such a notice with October 1, 1998 stated as the effective date and the copy of the RPU-5 listing a specific account, the delivering supplier would not be required to collect tax on a bill issued on October 5th for that account.

The self-assessing purchasers must file monthly returns with the Department establishing the aggregate purchase price for all the electricity distributed, supplied, furnished, sold, transmitted and delivered to those self-assessing purchasers during the preceding calendar month. Self-assessing purchasers must know the aggregate purchase price of all of the electricity distributed to them so that they can properly report and pay tax on that amount.

Due to the difficulty in obtaining the aggregate purchase price of the electricity in a timely manner before a return is due, the Department believes that a self-assessing purchaser should report any aggregate purchase prices for the month in which that information becomes available.

For example, if a self-assessing purchaser receives a bill on October 5th from an electric supplier for electric service that occurred in September, the self-assessing purchaser would report the aggregate purchase price of that electricity on a return for October that is due on or before November 15th.

I hope this information is helpful. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Terry D. Charlton
Associate Counsel

TDC:mks
Encl.