



# RUT-7 Rolling Stock Certification

Please print or type. Use this certificate for purchases made on or after July 1, 2004.

## Step 1: Identify how this certification is being used

Mark the option that applies. **Retailers:** Keep this certification in your books and records as proof of the exemption claimed.

### Purchases of motor vehicles, trailers, aircraft, watercraft, and non-vehicle rolling stock (e.g., locomotives, rail cars)

**1** Single purchase (one or multiple items) — I certify that this purchase qualifies for the rolling stock exemption.

### Purchases of repair and replacement parts

**2** Single purchase (one or multiple items) — Mark one option below.

**a** I certify that this purchase qualifies for the rolling stock exemption.

**b** I certify that \_\_\_\_\_ percent of this bulk purchase qualifies for the rolling stock exemption.

**3** Blanket certification for this and future purchases — Mark one option below.

**Note:** Update this certification at least every 3 years.

**a** I certify that 100 percent of the purchases that I make from this seller qualify for the rolling stock exemption.

**b** I certify that \_\_\_\_\_ percent of the bulk purchases that I make from this seller qualify for the rolling stock exemption.

## Step 2: Describe the purchase

### Purchases of motor vehicles, trailers, aircraft, watercraft, and non-vehicle rolling stock (e.g., locomotives, rail cars)

**1** Year, make, and model \_\_\_\_\_

Identification no. \_\_\_\_\_

### Purchases of repair and replacement parts

**2** Description of items purchased \_\_\_\_\_

## Step 3: Identify the buyer

**1** Name \_\_\_\_\_

**2** Address \_\_\_\_\_  
Number and street or post office box City State ZIP Telephone number

**3**  yes  no Is the buyer a lessor who will lease the item described in Step 2?  
If yes, go to Step 4. If no, complete Line 4 below, then go to Step 5.

**4** Certificate of authority number and date issued \_\_\_\_\_  
Number Date issued

## Step 4: If the buyer is a lessor, identify the lessee (If not, go to Step 5.)

**1** Name \_\_\_\_\_

**2** Address \_\_\_\_\_  
Number and street or post office box City State ZIP Telephone number

**3** Certificate of authority number and date issued \_\_\_\_\_  
Number Date issued

## Step 5: Buyer/lessor certification (Mark the appropriate statement.)

I certify that I am an interstate carrier for hire and that I will use the purchased item as, or attached to, rolling stock to haul persons or commodities for hire in interstate commerce.

I certify that I am a lessor and that the lessee of the item purchased is an interstate carrier for hire who will use the purchased item as, or attached to, rolling stock to haul persons or commodities for hire in interstate commerce.

Under penalties of perjury, I state that I have examined this certification and, to the best of my knowledge, it is true, correct, and complete.

\_\_\_\_\_  
Buyer's signature Date

\_\_\_\_\_  
Name of buyer (please print)

\_\_\_\_\_  
Business name

# General Instructions

## What is the purpose of this form?

Interstate carriers for hire use Form RUT-7, Rolling Stock Certification, to properly claim the rolling stock exemption for purchases of

- motor vehicles,
- watercraft,
- aircraft,
- trailers,
- railroad cars, and
- repair and replacement parts.

**Keep Form RUT-7 in your books and records to document the exemption.**

## What return must be filed?

When the item qualifying as rolling stock

- is sold by an Illinois dealer, it must be reported on Form ST-556, Sales Tax Transaction Return.
- is purchased from an out-of-state dealer, it must be reported on Form RUT-25, Use Tax Transaction Return.
- is purchased (or acquired by gift or transfer) from an individual or other private party,
  - and is a **motor vehicle** as defined by Section 1-146 of the Illinois Vehicle Code, it must be reported on Form RUT-50, Vehicle Use Tax Transaction Return.
  - and is an **aircraft**, it must be reported on Form RUT-75, Aircraft Use Tax Transaction Return.
- such as nonvehicle rolling stock or repair and replacement parts is sold by a retailer, it must be reported on Form ST-1, Sales and Use Tax Return.

## What purchases qualify for the rolling stock exemption?

The rolling stock exemption may be claimed for items that are purchased or used by interstate carriers for hire to be used as rolling stock in interstate commerce, including repair and replacement parts.

You must be recognized by a specific federal or state regulatory agency as an interstate carrier for hire and have received a certificate of authority to engage in interstate commerce.

### Aircraft, watercraft, or rail carrier items (and repair and replacement parts)

You must use the aircraft, watercraft, or rail carrier item for hire to carry persons or commodities in interstate commerce on a regular and frequent basis.

### Second division motor vehicles and trailers (and repair and replacement parts)

**Note:** If the **CDF sales tax exemption** was claimed, the purchase of repair and replacement parts are an exempt purchase only if the motor vehicle or trailer qualifies for the rolling stock exemption as shown below.

- A **motor vehicle** must have a gross vehicle weight rating of more than 16,000 pounds.
- A **motor vehicle** or **trailer** must carry persons or property for hire in interstate commerce for either
  - more than 50 percent of its total **trips** in a 12-month period, or
  - more than 50 percent of its total **miles** in a 12-month period.

Trips or mileage for which persons or property are carried for hire just between points in Illinois may be used to qualify for the exemption if the journey of the passenger or shipment of the property either originates or terminates outside Illinois.

You must identify which method will be used — trips or miles — at the time of purchase and document this choice on the required tax return. If you do not choose an option, you will be deemed to have chosen the mileage method. You must use the motor vehicle or trailer in a qualifying manner under the chosen method for each consecutive 12-month period from the initial title or registration date, whichever is later. If you do not, the exemption will be revoked and applicable tax, penalties, and interest will be due.

**Note:** Instead of documenting each trailer's qualifying use, you may use documentation to show to what qualifying motor vehicle or qualifying group of motor vehicles the trailer is dedicated. For more information, see Informational Bulletin FY 2005-01, Rolling Stock Exemption Changes.

## Which purchases do not qualify for the rolling stock exemption?

It is not the type of item that determines whether or not it qualifies for use as rolling stock, but how the item is used by an interstate carrier for hire. Only those items specifically used as rolling stock will qualify for this exemption. For example, items do **not** qualify for use as rolling stock when they are used only

- to transport company officers, employees, customers or others not for hire (even if the persons cross state lines); or
- to transport property that a business owns or is selling and delivering to customers (even if the items cross state lines); or
- as support vehicles (other than those specifically used as an "escort" vehicle) when the vehicles do not haul persons or commodities for hire in interstate commerce.

## When may a lessor claim the exemption?

If you are a purchaser who will be leasing the item you may claim the exemption if

- the lessee is recognized by a specific federal or state regulatory agency as an interstate carrier for hire and has received a certificate of authority to engage in interstate commerce; and
- the lessee will use the item in a qualifying manner as described in these instructions; and
- the lease is in effect or executed at the time of the purchase for use as rolling stock.

As a lessor you should note that the tax exemption will last only as long as the lease remains in effect and the item is being used in a qualifying manner. When the item reverts to your use, you must pay use tax on the fair market value (not to exceed the purchase price) of the item directly to the Illinois Department of Revenue on or before the last day of the calendar month following the month in which the item reverts to the use of the lessor. To pay the use tax, call our Audit Bureau at 217 782-9819. We will then send you the proper form.

# Step-by-step Instructions

## Step 1

**Lines 1 - 3:** Mark the option that applies.

Lines 2b and 3b may be used for bulk purchases only.

**Note:** Update blanket certificates executed for repair and replacement parts at least every three years.

## Step 2

**Line 1:** If the purchase is a motor vehicle, trailer, aircraft, watercraft, or non-vehicle rolling stock, write the year, make, and model of the item on the line provided. Next, write the appropriate identification number for the item sold, such as a vehicle identification number (VIN) for motor vehicles and trailers, a hull identification number (HIN) for watercraft, (N) number for aircraft, or other identification number for non-vehicle rolling stock.

**Line 2:** If the purchase is a repair and replacement part, write a description of the item on the line provided.

## Step 3

**Lines 1 - 2:** Write the requested information.

**Line 3:** If you are a lessor who will lease the item to an interstate carrier for hire who will use the item under lease as "qualifying" rolling stock in interstate commerce, check "yes," and go to Step 5. If not, complete Line 4, and go to Step 5.

**Line 4:** If you are an interstate carrier for hire, write your certificate of authority number and date issued.

## Step 4

**Lines 1 - 3:** Complete the requested information if you are a lessor who will lease the item to an interstate carrier for hire who will use the item under lease as "qualifying" rolling stock in interstate commerce, and the lease was executed or in effect at the time of purchase.

## Step 5

If you are an **interstate carrier for hire**, check the statement on the left side. You must sign and date the certification and print your name on the line provided.

If you are a **lessor** who will lease the item to a lessee who is an interstate carrier for hire and who will use the item as "qualifying" rolling stock in interstate commerce, check the statement on the right side. You must sign and date the certification and print the signed name.