



# RUT-7 Rolling Stock Certification

Please print or type.

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

Check the one box below that describes how this certification is being used.

Keep this certification in your books and records as proof of the exemption claimed.

This certification documents the sale of

- 1  an item reported on Form ST-556, Sales Tax Transaction Return. Transaction no. \_\_\_\_\_
- 2  an item reported on Form RUT-25, Use Tax Transaction Return. Transaction no. MV
- 3  an item reported on Form RUT-50, Vehicle Use Tax Transaction Return. Transaction no. PV
- 4  items such as replacement parts or nonvehicle rolling stock reported on Form ST-1, Sales and Use Tax Return.

## Step 2: Identify the seller

- 1 Name \_\_\_\_\_
- 2 IBT no. (if Illinois retailer) \_\_\_\_\_ - \_\_\_\_\_
- 3 Address \_\_\_\_\_  
Number and street or post office box
- City, state, ZIP \_\_\_\_\_

## Step 3: Describe the item purchased

- 1 Year, make, and model \_\_\_\_\_
- Identification no. \_\_\_\_\_
- 2 Other (describe items such as replacement parts or nonvehicle rolling stock) \_\_\_\_\_

## Step 4: Describe the way in which the item purchased will be used

- 1 Check all boxes that apply. See the instructions to determine what items qualify for use as rolling stock. The item described in Step 3 will be used as rolling stock for hire to haul persons or commodities in interstate commerce, and
  - the journeys or shipments for which the item is used as rolling stock will originate or terminate outside Illinois on other carriers.
  - the item will be used as rolling stock in Illinois while moving physically between points in states other than Illinois.

## Step 5: Identify the buyer

- 1 Name \_\_\_\_\_
- 2 Address \_\_\_\_\_  
Number and street or post office box
- City, state, ZIP \_\_\_\_\_
- 3 Phone (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_  
Area code
- 4 Is the buyer a lessor who will lease the item described in Step 3?  yes  no  
If yes, go to Step 6. If no, complete Lines 5 and 6 in this step, and go to Step 7.
- 5 Certificate of Authority no. \_\_\_\_\_
- 6 Date Certificate of Authority was issued \_\_\_\_/\_\_\_\_/\_\_\_\_  
Month Day Year

## Step 6: If the buyer is a lessor, identify the lessee (if not, go to Step 7)

- 1 Name \_\_\_\_\_
- 2 Address \_\_\_\_\_  
Number and street or post office box
- City, state, ZIP \_\_\_\_\_
- 3 Phone (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_  
Area code
- 4 Certificate of Authority no. \_\_\_\_\_
- 5 Date Certificate of Authority was issued \_\_\_\_/\_\_\_\_/\_\_\_\_  
Month Day Year

## Step 7: Sign the certification (buyer or buyer/lessor)

Check the appropriate box.

- I certify that I am an interstate carrier for hire and that I will use the purchased item as rolling stock to haul persons or commodities in interstate commerce. See "What qualifies for use as rolling stock?" in the instructions.
- 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 rolling stock to haul persons or commodities in interstate commerce. See "What qualifies for use as rolling stock?" in the instructions.

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.

Signature of buyer \_\_\_\_\_

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

\_\_\_\_/\_\_\_\_/\_\_\_\_  
Month Day Year

Business title \_\_\_\_\_



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## General Instructions

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### What is the purpose of this form?

Form RUT-7, Rolling Stock Certification, is used by an interstate carrier for hire to properly claim an exemption from sales or use tax when items (such as motor vehicles, watercraft, aircraft, trailers, or railroad cars) are sold by an Illinois dealer or purchased from a private party or an out-of-state dealer for use as rolling stock. A separate Form RUT-7 must be completed for each item purchased.

**You must keep Form RUT-7 in your books and records to document the exemption.**

When the item qualifying as rolling stock

- is sold by an Illinois dealer, it is required to be reported on Form ST-556, Sales Tax Transaction Return.
- is purchased from an out-of-state dealer, it is required to 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, it is required to be reported on Form RUT-50, Vehicle Use Tax Transaction Return.
- (such as a replacement part or nonvehicle rolling stock) is sold by a retailer, it is required to be reported on Form ST-1, Sales and Use Tax Return.

### Who must complete Form RUT-7?

A person or business that is claiming the exemption from sales or use tax on the purchase of an item that will be used as rolling stock must complete Form RUT-7.

When the person or business is purchasing the item (but not for lease), the purchaser 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.

When the person or business is the purchaser and also is a lessor that is leasing the item,

- the lessee 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; and
- the lease must be in effect or executed at the time of the purchase for use as rolling stock.

### What qualifies for use as rolling stock?

For an item to qualify for use as rolling stock, it must be used by an interstate carrier for hire to haul persons or commodities in interstate commerce

- 15 or more times in a 12-month period for motor vehicles and trailers, or
- on a regular and frequent basis for aircraft, watercraft, and railroad cars.

It is not the type of item that determines whether or not it qualifies for use as rolling stock, but rather 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 items 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 for "escort" service) when the vehicles do not haul persons or commodities for hire in interstate commerce.

**Note:** If the person claiming this exemption is doing so as a lessor to an interstate carrier for hire, the lessor should note that the exemption from tax 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 the use of the lessor, the lessor must pay use tax on the fair market value 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 provide you with the proper form.

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## Step-by-Step Instructions

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### Step 1

**Lines 1 - 3:** Check the appropriate box for the transaction required to be reported on Form ST-556, Form RUT-25, or Form RUT-50 as applicable. Write, on the line provided, the transaction number preprinted on the return for which you are claiming an exemption documented on Form RUT-7.

**Line 4:** Check this box if you are a retailer who is selling an item that qualifies as rolling stock and whose sale is required to be reported on Form ST-1, Sales and Use Tax Return, (such as a replacement part or nonvehicle rolling stock).

### Step 3

**Line 1:** If the purchase of the item is required to be reported on Form ST-556, Sales Tax Transaction Return; Form RUT-25, Use Tax Transaction Return; or Form RUT-50, Vehicle Use Tax Transaction Return, (such as motor vehicles, watercraft, aircraft, or trailers), 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, or (N) number for aircraft.

**Line 2:** If the purchase of the item is required to be reported on Form ST-1, Sales and Use Tax Return, (such as a replacement part or nonvehicle rolling stock), write a description of the item on the line provided. (See the instructions for Step 1, Line 4.)

### Step 5

**Line 4:** If the buyer is a lessor who will lease the item to an interstate carrier for hire that will use the item under lease as "qualifying" rolling stock in interstate commerce, check "yes," and go to Step 6. If not, complete Lines 5 and 6, and go to Step 7.

### Step 7

If the buyer is an interstate carrier for hire, check the appropriate box. The buyer must sign and date the certification and print the signed name on the line provided.

If the buyer is a lessor that will lease the item to a lessee that is an interstate carrier for hire and that will use the item as "qualifying" rolling stock in interstate commerce, check the appropriate box. The buyer/lessor must sign and date the certification and print the signed name on the line provided.