

## City of St. Charles

### Local Fuel Tax – Frequently Asked Questions

**Q. What is the Local Fuel Tax?**

A. *As a home rule municipality, the City of St. Charles can adopt certain local taxes. The Local Fuel Tax is levied upon the purchase of motor fuel sold at retail within the corporate limits of the City.*

**Q. When does the local fuel tax become effective?**

A. *The tax is effective November 1, 2018.*

**Q. What is the local fuel tax rate?**

A. *The tax rate is two cents per gallon (\$0.02/gallon) and applies to motor fuel retail purchases within the City of St. Charles.*

**Q. What does the Local Fuel Tax apply to?**

A. *The tax applies to all volatile liquids compounded or used for fueling motor vehicles, including gasoline, gasohol, compressed natural gas, propane and diesel fuel.*

**Q. What is a motor fuel retailer?**

A. *A motor fuel retailer is any person, firm or corporation engaged in the business of selling motor fuel at retail, and not for resale.*

**Q. How is the local fuel tax collected?**

A. *It is the duty of the owner, manager, or operator of every motor fuel retailer to collect the tax from the consumer and remit the tax to the City. The amount of tax due shall be stated separately on the receipt or other statement given to the consumer at time of payment.*

**Q. How is the tax reported and remitted to the City?**

A. *The owner of each motor fuel retail establishment shall file tax returns with the City of St. Charles showing the gallons of motor fuel sold during each monthly period. At the time of filing, the owner shall pay to the City all taxes due for the period, less a commission of 1% of the amount of the tax due which is intended to reimburse the owner for expenses incurred in the administration of the tax. However, the commission may only be deducted if taxes are remitted on time. The return and all taxes are to be remitted to the City on or before the last day of the calendar month next succeeding the end of the monthly filing period. **A tax return form must be submitted regardless of the tax liability amount, even if it is zero.***

**Q. Where do I get the tax return form?**

A. *A copy of the tax return form was included in the original notification mailing that was sent out on **September 6, 2018**. Please make copies of the form as needed. The form is also available on the City's website, [www.stcharlesil.gov](http://www.stcharlesil.gov), under the FOR BUSINESS/Forms, Permits, and Records section.*

**Q. Are any organizations exempt from the local fuel tax?**

A. *No organization is exempt from the local fuel tax.*

**Q. Can I file a tax return on-line?**

A. *On-line filing is not available at this time. The City will evaluate the possibility of offering this feature in the near future.*

**Q. Are there late payment and/or filing penalties assessed?**

A. *Yes, the penalty structure for late filing of local fuel taxes includes either a graduated flat rate penalty or a penalty of 5% of the tax due, whichever is greater. For the first offense, the late penalty would be \$50 or 5% of the tax due, whichever is greater. For the second offense, the penalty would be \$100 or 5% of the tax due, whichever is greater. For the third and any subsequent offenses, the penalty would be \$150 or 5% of the tax due, whichever is greater. Whenever any person shall fail to pay any tax as provided in this chapter, the city attorney, upon the request of the finance director, shall bring or cause to be brought an action to enforce the payment of the tax on behalf of the City in any court of competent jurisdiction.*

*If no return is filed or tax paid before the Finance Director issues a notice of tax liability under section 3.54.150, a penalty of twenty-five percent (25%) of the full amount of tax claimed due shall be added thereto. If this penalty is assessed, no penalty shall be assessed under item A.*

**Q. Will interest be charged on unpaid local fuel taxes?**

*A. Yes, interest shall accrue on any late payment, underpayment or nonpayment of tax at the rate of one and one-quarter percent (1.25%) added per month to the amount of tax unpaid and uncollected.*

**Q. What are the record keeping requirements?**

*A. Books and records must be maintained for at least 48 months. At a minimum, the records should include a report showing the number of gallons of motor fuel sold and the amount of taxes collected for each day of the calendar month.*

**Q. Who can I contact for more information?**

*A. Please contact the Finance Department at 630-377-4914 for more information.*