

Illinois Laws and Incentives for Exemptions

The list below contains summaries of all Illinois laws and incentives related to Exemptions.

State Incentives

Electric Vehicle (EV) Registration Fee Reduction

The owner of an EV may register for a discounted registration fee not to exceed \$35 for a two-year registration period. The registration fee for an EV may not exceed \$18 per year. To qualify for the reduced fee, the EV must weigh 8,000 pounds or less. (Reference 625 [Illinois Compiled Statutes](#) 5/3-805)

Ethanol Tax Exemption

Sales and use taxes apply to 80% of the proceeds from the sale of fuels containing 10% ethanol (E10) made between July 1, 2003, and December 31, 2018. If at any time these taxes are imposed at a rate of 1.25%, the tax on E10 will apply to 100% of the proceeds of sales. State sales and use taxes do not apply to fuels containing between 70% and 90% ethanol (E70-E90) sold between July 1, 2003, and December 31, 2018. Taxes will apply to 100% of the proceeds from ethanol fuel blend sales made after December 31, 2018. (Reference 35 [Illinois Compiled Statutes](#) 120/2-10, 105/3-10, and 105/3-44)

Biodiesel Tax Exemption

Sales and use taxes apply to 80% of the proceeds from the sale of biodiesel fuel blends containing between 1% and 10% biodiesel made between July 1, 2003, and December 31, 2018. If at any time these taxes are imposed at a rate of 1.25%, the tax on biodiesel blends will then apply to 100% of the proceeds of sales. These taxes do not apply to the proceeds from the sale of biodiesel blends containing more than 10% biodiesel. Taxes will apply to 100% of the proceeds from biodiesel sales made after December 31, 2018. (Reference 35 [Illinois Compiled Statutes](#) 120/2-10 and 105/3-10)

Fleet User Fee Exemption

Fleets with 10 or more vehicles located in defined areas of the state must pay an annual user fee of \$20 per vehicle. Owners of electric vehicles and owners of state, county, or local government vehicles are exempt from this fee. The Office of the Illinois Secretary of State will deposit all fees into the Alternate Fuels Fund. (Reference 415 [Illinois Compiled Statutes](#) 120/35)

Idle Reduction Weight Exemption

A vehicle equipped with idle reduction technology may exceed the state's gross, axle, and bridge vehicle weight limits by up to 400 pounds to compensate for the additional weight of the idle reduction technology. The additional weight may not exceed the actual weight of the idle reduction unit. The vehicle operator must carry written certification showing the weight of the technology and must be able to demonstrate or certify that the unit is fully functional. (Reference 625 [Illinois Compiled Statutes](#) 5/15-112)

The AFDC is a resource of the U.S. Department of Energy's Clean Cities program.