

This letter concerns sales made in interstate commerce. See 86 Ill. Adm. Code 130.605.
(This is a GIL.)

April 11, 2008

Dear Xxxxx:

This letter is in response to your letter dated July 3, 2007, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Please accept this letter as a letter of request in order to receive a Letter Ruling. The regulation is 130.415. Our company is supplying product to a company headquartered in the state of Illinois, however they want the product shipped to one of their locations in Florida. The purchase order and bill to address is to the headquarters in Illinois. I was told that there is NO Sales and Use Tax and for us to note that on our Bill of Lading form.

Please send us a Letter of Ruling for our files. Should you have any questions or concerns please do not hesitate to contact me.

DEPARTMENT'S RESPONSE

This response is in regard only to Illinois tax laws. We do not administer any out-of-State tax laws.

As a general proposition, sales tax applies to sales of tangible personal property in Illinois, unless one can document an exemption. Please note that for the interstate commerce exemption to apply, delivery of the goods outside of Illinois must actually be made. Sales are subject to sales tax and are not deemed to be in interstate commerce if the purchaser or his representative receives the

physical possession of the property in Illinois, even if such property is immediately transported outside of Illinois. See 86 Ill. Adm. Code 130.605(a)(1) and (2).

Accordingly, if a retailer located in another state sells tangible personal property to a purchaser located in Illinois and ships that property to a location outside of the State, which property will not thereafter enter Illinois, such a sale would not subject the retailer to an Illinois Retailers' Occupation Tax liability or an Illinois Use Tax collection obligation. There may be a tax liability in one of the other states involved in the transaction.

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Debra M. Boggess
Associate Counsel

DMB:msk