

Organizations that make application to the Department of Revenue and are determined to be exclusively religious, educational, or charitable, receive an exemption identification number (an "E" number). See 86 Ill. Adm. Code 130.2007. (This is a GIL.)

October 16, 2008

Dear Xxxxx:

This letter is in response to your letters dated April 29, 2008 and August 12, 2008, 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 April 29, 2008, letter you have stated and made inquiry as follows:

Please send a copy of this letter or this original when you reply so I can note what request where honored/denied.

1. Please send any and all information on what not-for-profits qualify for an exemption from paying sales tax on goods purchased for the use of the organization. Send 2 sets of such information.
2. Please send any and all forms needed to fill-out in this matter as well as instructions if any. Send 2 sets of such information.
3. Please send a list/print-out of all forms which IL. Dept of Revenue has, which are used to fill out by citizens and businesses.
4. Please send a list/print-out of all publications which you have used to understand forms given by you and filled out by citizens & busn

Thanking you in advance for your time. Hope to hear from you soon.

In your April 29, 2008, letter you have made a similar request.

DEPARTMENT'S RESPONSE:

Organizations that are recognized as non-profit under Internal Revenue Code Section 501(c)(3), are not necessarily exempt organizations pursuant to Illinois tax law. Such organizations must obtain an exemption identification number (an "E" number) to qualify. See 86 Ill. Adm. Code 130.2007. Organizations that make application to the Department of Revenue and are determined to be exclusively religious, educational, or charitable, receive an "E" number. The "E" number evidences that the Department recognizes the organizations as exempt from incurring Use Tax when purchasing tangible personal property in furtherance of their organizational purposes. If an organization does not have an E number, then its purchases are subject to tax. Please be aware that only sales to organizations holding the E number are exempt, not sales to individual members of the organization.

While organizations that have received an "E" number are, as a general matter, subject to Retailers' Occupation Tax upon their own sales of tangible personal property, there are three limited exceptions where such organizations are authorized to engage in a restricted amount of retail selling activity without incurring Retailers' Occupation Tax liability. Organizations that hold exemption numbers may engage in (1) sales to members, (2) noncompetitive sales, and (3) certain occasional dinners and similar activities, without incurring Retailers' Occupation Tax liability. See 86 Ill. Adm. Code Sections 130.2005(a)(2) through 130.2005(a)(4).

I have enclosed information from the Department's website regarding non-profit organizations, as well as copies of the various sections of the Administrative Code and Publications referenced therein. Unfortunately, the Department is unable to send a list/print out of all forms and publications you requested due to the large number of such forms and publications. You indicated that you do not have access to the internet, where many the Department's forms can be accessed. However, if you would like to obtain specific forms or need additional information, you may want to call the Department's Taxpayer Assistance Center at 1-800-732-8866 or 1-217-782-3336. Representatives are available Monday through Friday, 8 am – 5 pm. Our TDD (telecommunication device for the deaf) number is 1-800-544-5304.

I hope this information is helpful. If you require additional information and/or access to the Department's forms, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

D. M. Boggess
Associate Counsel

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