

Construction contractors who physically incorporate tangible personal property into real estate owned by exempt organizations or governmental entities that hold tax exempt "E" numbers can purchase such property tax free by providing their suppliers with the certification described in 86 Ill. Adm. Code 130.2075(d). See 86 Ill. Adm. Code Section 130.2075. (This is a GIL.)

October 23, 2008

Dear Xxxxx:

This letter is in response to your letter dated September 18, 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 letter you have stated and made inquiry as follows:

We would like to verify if ABC could use VILLAGE (end user) exemption letter in order for them to be exempt from paying sales tax.

Attached are copies of invoice and letter that ABC has provided us.

We appreciate your written advice on this regard.

DEPARTMENT'S RESPONSE:

The information that is required to document an exempt transaction has been provided to you in a number of previous General Information Letters. Whether or not you accept the Exemption Certificate and refund to the taxpayer the amount of any tax collected from the taxpayer is your decision.

The Department does not have the resources to informally review every certificate provided to retailers by a purchaser claiming an exemption and determine whether those transactions are exempt from the Retailers' Occupation Tax and Use Tax. Furthermore, requests of this nature generally do not provide sufficient and complete information to the Department for it to perform a thorough analysis

and issue such a determination. A Department auditor would be in the best position to determine whether any transaction or transactions you had with exempt organizations or their contractors comply with the Department's regulations. You may request an audit by contacting the Department. Another alternative may be to seek advice from a tax professional with expertise in such matters.

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.

Very truly yours,

Richard S. Wolters
Associate Counsel

RSW:mzk