

Pursuant to the Simplified Municipal Telecommunications Tax Act, a municipality may furnish a list of service address information to the telecommunications retailers for tax situs reasons. See 35 ILCS 636/5-42. (This is a GIL.)

April 27, 2006

Dear Xxxxx:

This letter is in response to your letter dated March 29, 2005, 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:

Our company represents the Village in various utility and tax audits, some of which are collected by the Illinois Department of Revenue. We have had multiple conversations with ABC and the Ill Dept of Revenue and have found ourselves chasing our tails. ABC does not and will not provide our office with the collection information on the simplified telecom tax and directs us to the Illinois Dept of Revenue who directs us back to ABC.

Our clients, (VILLAGE is only one of many municipalities we represent), have asked us to find a way to determine if they are getting the taxes to which they are entitled from the telecom carriers. We thought a beginning would be to get whatever report is filed with the Illinois Dept of Revenue by the carriers that itemizes the funds delivered for repayment to the municipalities. From there we can see what further information we need to find any taxing errors. Most often, the errors we find are issues where a carrier is collecting taxes but paying it to the wrong municipality. We look to compare the databases from the municipalities with the carrier to find variances for the purpose of identifying mis-payments. Where the carriers collect taxes and remit directly to the municipality we are able to compare databases and find errors. Where it is paid to the dept of revenue, we are unable to get any information whatsoever from the carrier or the dept of revenue.

In our last conversation with INDIVIDUAL at the Illinois Dept of Revenue, she suggested that we contact your office since they have no procedure to deal with our requests. Shall we put this before the ICC or do you have an idea as to what can be done?

Enclosed is our Letter of Authorization permitting us to pursue audit information on behalf of VILLAGE. We would appreciate your involvement in coming to some decision on procedure.

DEPARTMENT'S RESPONSE:

Pursuant to the Simplified Municipal Telecommunications Tax Act, a municipality may furnish a list of service address information to the telecommunications retailers for tax situs reasons. See 35 ILCS 636/5-42. A telecommunications retailer is held harmless for errors from tax collection providing the telecommunications retailer relies on the list provided by the municipality to situs individual tax collections. See 35 ILCS 636/5-42(a)(2).

The Department is unable to provide this information to you due to the confidentiality provisions of the Simplified Telecommunications Act. See Section 5-65 of the Act. Section 15 of the Telecommunications Excise Tax Act (35 ILCS 630/15), has been incorporated by reference into the Simplified Municipal Telecommunications Tax Act. Municipalities may enter into information exchange agreements with the Department. However, the information provided under those agreements is required to be kept confidential by those municipalities. Municipalities wishing to enter into such agreements should contact the Department's Audit Division.

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,

Edwin E. Boggess
Associate Counsel

EEB:msk