

All "qualified sales" of building materials sold for incorporation into any Illinois enterprise zone are eligible for a deduction for sales tax purposes. (See 86 Ill. Adm. Code 130.1951(d)(1).) (This is a PLR.)

March 27, 2006

Dear Xxxxx:

This letter is in response to your letter dated December 21, 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 1200.1120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

Review of your request disclosed that all the information described in paragraphs 1 through 8 of Section 1200.110 appears to be contained in your request. This Private Letter Ruling will bind the Department only with respect to COMPANY and its affiliates, AFFILIATES for the issue or issues presented in this ruling, and is subject to the provisions of subsection (e) of Section 1200.110 governing expiration of Private Letter Rulings. Issuance of this ruling is conditioned upon the understanding that neither COMPANY, and its affiliates, Nor a related taxpayer is currently under audit or involved in litigation concerning the issues that are the subject of this ruling request. In your letter you have stated and made inquiry as follows:

On behalf of our client, COMPANY, and its affiliates, we respectfully request the Illinois Department of Revenue (the 'Department') issue a private letter ruling ('PLR') pursuant to 2 Ill. Adm. Code Section 1200.110 with respect to the following factual situation.

General Information

1. Enclosed please find an original Form IL-2848 Power of Attorney, authorizing FIRM to represent Company, before the Department.
2. This PLR is not requested with regard to hypothetical or alternative proposed transactions. The PLR is requested to determine the sales tax consequences of the actual business practices of Company.

3. Company is not currently engaged in litigation with the Department in regard to this or any other tax matter. Company is also not under audit with the Department with respect to this issue.
4. The Department has not previously ruled regarding this matter for Company. Neither Company nor FIRM has submitted the same or similar issues to the Department on behalf of Company.
5. Company requests that certain information be deleted from the PLR prior to dissemination to others. Company requests that its name, its affiliate's names, its address, location of its headquarters, description of Project and description of items being purchased, and the name and contact information of its representative be deleted.
6. Company knows of no authority contrary to the authorities referred to and cited below.
7. For business reasons, Company may use one or more affiliated entities to enter into the transactions described herein. References to Company may refer to one or more of such affiliates, in accordance with Company's business practices.

Statement of Material Fact

Description of the Project

Company has entered into various contracts and sought regulatory approval to construct a wind farm near CITY, Illinois (the 'Project'). The purpose of the Project is to generate electricity from renewable sources which has been encouraged by various state programs and mandated by certain municipalities.

Company has secured leases or options on approximately 22,000 acres of farm land in the area and has developed detailed plans for construction of the Project. Company has also been in discussions with officials from COUNTY, the CITY, the TOWN and the State of Illinois to provide for expansion of the existing County Enterprise Zone to include the final Project area. Company has also conducted joint studies with electrical utilities serving both northern and central Illinois for providing interconnects to put the electricity generated by the Project on the electrical grid.

Description of Items Being Purchased

Construction of the Project will result in an interconnected facility, including roads, PRODUCTS. Descriptions of the main Project items are as follows:

1. Wind Turbine Generators

Company plans to purchase approximately 275 wind turbine generators for the Project. The wind turbine generators are comprised of three main components: (a) the tower, (b) the nacelle, and (c) the rotor (collectively referred to as the 'turbine').

- a) Each tower is constructed in several sections of conical steel and is anchored with anchor bolts to a concrete foundation (described below). The towers and

foundations must be of construction robust enough to support the weight and loads of the turbines which reach a tip height of 300 feet above grade and must withstand winds in excess of 100 mph.

- b) Each nacelle houses the major mechanical components of each turbine, including the main drive shaft, gear box and generator. The nacelles also house hydraulics, cooling systems, and control and monitoring equipment. The nacelles obtain their structural strength from a cast iron steel bed frame. The bed frame is bolted to the tower with anchor bolts. A reinforced fiberglass outer covering is bolted to the bed frame to protect the interior components from the elements.
- c) The rotors are constructed from glass reinforced polyester composite and are between 80 and 100 meters in diameter. The rotors are bolted to the central hub, which is in turn bolted to the main drive shaft within the nacelle.

2. Foundations

Each turbine foundation is made of concrete which is generally mixed in batch plants close to the wind farm. The reinforced poured concrete foundation houses a cylindrical pattern of anchor bolts. During erection of the turbine, the tower is lowered and permanently bolted to the foundation with anchor bolts.

3. Tower Safety Systems

Each turbine is equipped with several types of safety equipment. Each turbine is equipped with two independent braking systems: (i) an aerodynamic braking system, and (ii) a hydraulic disc braking system. Both braking systems are bolted to the nacelle of the tower. Each turbine is also equipped with high temperature sensors in the tower and the nacelle which shut down the generator in case of an over-temperature warning (that is, the 'fire safety systems'). The sensors are hardwired into the tower's electrical system and are monitored via the Project SCADA System (described below) in the Operations and Maintenance Center (described below).

4. Controllers

Each turbine contains its own control equipment, which feeds data to the Supervisory Control and Data Acquisition System (the 'SCADA System') via a fiber optic cable network installed adjacent to the electrical collection system (described below). This integrated control system allows the plant operators to control each turbine remotely and to collect data on wind turbine performance. Each turbine has a SCADA System control panel which is located in the base of the turbine tower where it is bolted to the inside wall of the tower.

5. Transformers

Each turbine will be connected to a transformer. The transformers transmit the electricity generated by the turbines. The type of transformer will vary based on the model of turbine used, but will fall into one of two categories: external and internal. External transformers will be connected to the turbine and will be positioned near the base of the tower and will be anchor bolted to a concrete foundation and hardwired into the turbine control panel and the Project electrical collection system (described below).

Internal transformers will be located in the nacelle, where they will be anchor bolted to the machine floor and hardwired to the tower.

6. Electrical Collection System

The electrical collection system consists of electrical cables and junction boxes which transmit the electricity generated by the turbines through the transformers and to the Project substations (described below). The majority of these cables and junction boxes will be buried underground.

7. Project Substations

Project substations will be constructed throughout the Project whereby the electricity produced by the turbines will be collected via the electrical collection system (described above) and transmitted to the Project substations, and then the Project substations will transmit the electricity to the interconnection substation (described below) over an above ground transmission line. Each Project substation will consist of a control house, transformer(s), outdoor breakers, metering and relay equipment, high voltage bus work, steel support structures, and overhead lightning suppression conductors. All of this equipment will be anchor bolted to concrete foundations.

8. Interconnection Substation

An interconnection substation will be constructed at the point of interconnection to the utility power grid to transmit and deliver the electricity produced by the turbines onto the utility power grid. The interconnection substation will consist of a control house, step-up transformer(s), outdoor breakers, metering and relay equipment, high voltage bus work, steel support structures, and overhead lightning suppression conductors. All of this equipment will be bolted to steel support structures which will be anchor bolted to concrete foundations.

9. Above Ground Transmission Line

An above ground transmission line will be constructed between the Project substation(s) and the interconnection substation to transmit the electricity produced by the turbine to the interconnection substation. The overhead transmission line will consist of wire conductors, insulators, steel support structures, and concrete foundations. The steel support structures will be anchor bolted to the concrete foundations.

10. Meteorological Towers

One to six permanent meteorological towers will be erected at the Project site in order to monitor wind conditions and to optimize the operation of the wind farm. The meteorological tower will have instruments that measure wind speed, wind direction, air pressure, temperature and the presence of ice. These towers will be bolted with anchor bolts to concrete foundations and/or secured by guy wires.

11. Operations and Maintenance Center

The 'Operations and Maintenance Center' will be housed in a building constructed on the Project site. The Operations and Maintenance Center will house the project control

system, spare parts/equipment, offices for the project operations team, the Project SCADA System, and also a visitor and viewing center.

12. Access Roads

Because of the scale of the Project and the large size of the equipment that must be transported to the Project site, the Project includes the improvement and construction of access roads. The Project may include improvements to existing public roads as well as private roads. In addition, new private roads will be constructed to facilitate access between the tower sites.

All purchases of building materials will be made after August 6, 2002.

Ruling Request

Company respectfully requests a binding PLR from the Department confirming that the Project items described in this ruling request qualify as 'building materials' for purposes of the Retailers' Occupation Tax Act deduction provided in 35 ILCS 120/5k and 86 Ill. Admin. Code 130.1951.

Relevant Authorities

The Illinois Retailers' Occupation Tax Act [35 ILCS 120/2] (the 'Act') imposes a tax on persons engaged in the business of making retail sales of tangible personal property. In accordance with Section 2-10 of the Act, this tax is measured by a seller's gross receipts [35 ILCS 120/2-10]. Pursuant to Section 5k of the Act [35 ILCS 120/5k], a retailer who makes sales of 'building materials' to be incorporated into real estate within an Enterprise Zone by remodeling, rehabilitation or new construction may deduct receipts from such sales when calculating the tax Imposed by the Act.

Under the applicable regulation, in order to qualify for the deduction, the materials being purchased must be 'building materials.' That is, they must be purchased for physical incorporation into real estate. 86 Ill. Admin. Code 130.1951(a)(7). Such regulation further provides, in relevant part:

- d) For purchases made on and after August 6, 2002:
 - 1) On and after August 6, 2002, the deduction is still available and there is no requirement that the retailer from whom the materials are purchased be located in a jurisdiction that created the enterprise zone into which the materials will be incorporated. In addition, restrictions in the enterprise zone ordinance in effect at the retailer's location are no longer applicable to purchases of building materials for incorporation into another enterprise zone. Rather, the municipality or county that created the enterprise zone into which the materials will be incorporated can limit the deduction by ordinance. However, that ordinance may not require that the materials be purchased from any class of retailers and it may not prohibit the purchase being made from any class of retailers. All 'qualified sales' of building materials sold for incorporation into any Illinois enterprise zone are eligible for the deduction.
 - 2) A 'qualified sale' means a sale of building materials:

- A) for incorporation into real estate in an Illinois enterprise zone,
 - B) as part of a building project,
 - C) for which a Certificate of Eligibility for Sales Tax Exemption has been issued,
 - D) by the administrator of the enterprise zone in which the project is located.
- 3) The Certificate of Eligibility for Sales Tax Exemption must contain:
- A) a statement that the building project identified in the Certificate meets all of the requirements of the enterprise zone ordinance of the jurisdiction in which the building project is located;
 - B) the location or street address of the building project that is the subject of the Certificate;
 - C) the signature of the administrator of the enterprise zone in which the building project is located.
- 4) Certification. A retailer claiming the deduction on and after August 6, 2002 must have among its books and records:
- A) a copy of the Certificate of Eligibility for Sales Tax Exemption from the administrator of the enterprise zone into which the materials will be incorporated; and
 - B) a certification from the purchaser of the building materials containing the following:
 - i) a statement that the building materials being purchased are being purchased for incorporation into real estate located in an Illinois enterprise zone,
 - ii) the location or address of that real estate,
 - iii) the name of the enterprise zone in which that real estate is located,
 - iv) a description of the building materials being purchased for incorporation into that real estate,
 - v) the date of the purchase, and
 - vi) the purchaser's signature.

e) In order to qualify for the deduction, the materials being purchased must be building materials. That is, they must be purchased for physical incorporation into real estate. For example, gross receipts from sales of:

- 1) common building materials such as lumber, bricks, cement, windows, doors, insulation, roofing materials and sheet metal can qualify for the deduction;
- 2) plumbing systems and components thereof such as bathtubs, lavatories, sinks, faucets, garbage disposals, water pumps, water heaters, water softeners and water pipes can qualify for the deduction;
- 3) heating systems and components thereof such as furnaces, ductwork, vents, stokers, boilers, heating pipes and radiators can qualify for the deduction;
- 4) electrical systems and components thereof such as wiring, outlets and light fixtures that are physically incorporated into the real estate can qualify for the deduction;
- 5) central air conditioning systems, ventilation systems and components thereof that are physically incorporated into the real estate can qualify for the deduction;
- 6) built-in cabinets and other woodwork that are physically incorporated into the real estate can qualify for the deduction;
- 7) built-in appliances such as refrigerators, stoves, ovens and trash compactors that are physically incorporated into the real estate can qualify for the deduction;
- 8) floor coverings such as tile, linoleum and carpeting that are glued or otherwise permanently affixed to the real estate by use of tacks, staples, or wood stripping filled with nails that protrude upward (sometimes referred to as 'tacking strips' or 'tack-down strips') can qualify for the deduction.

f) Items that are not physically incorporated into the real estate cannot qualify for the deduction. For example, gross receipts from sales of:

- 1) tools, machinery, equipment, fuel, forms and other items that may be used by a construction contractor at an enterprise zone building site, but that are not physically incorporated into the real estate, do not qualify for the deduction;
- 2) free-standing appliances such as stoves, ovens, refrigerators, washing machines, portable ventilation units, window air conditioning units, lamps, clothes washers, clothes dryers, trash compactors and dishwashers that may be connected to and operate from a building's electrical or plumbing system but which do not become a component of those systems do not qualify for the deduction;
- 3) floor coverings that are area rugs or that are attached to the structure using only two-sided tape do not qualify for the deduction.

In addition to the above regulation (86 Ill. Admin. Code 130.1951), the Department has issued several private letter rulings opining on the applicability of the enterprise zone building materials exemption to similar industries and projects. The more pertinent private letter rulings are summarized as follows:

PLR ST 01-0045 PLR (October 26, 2001)

This ruling involved the applicability of the building materials exemption to the 'power island equipment' for a natural gas fired combined cycle electrical generating facility.

The Department concluded that the concrete and rebar used for the building and equipment foundations qualified as building materials, as did the anchor bolts, electrical conduit, piping and other fixtures embedded in the foundations.

The Department also found that the turbines qualified as building materials, as they were physically attached to a steel reinforced concrete foundation with anchor bolts. In addition, each of the generators, which were permanently affixed to the foundations with anchor bolts, and which were additionally hardwired into the electrical system, qualified as building materials. Also, the stack, which was constructed of stainless steel plates that were welded together and permanently attached to the base which in turn was attached to the foundation with anchor bolts, qualified as a building material. The air inlet system, which was attached to a foundation construction on top of the gas combustion turbine foundation with anchor bolts and was hardwired into underground and aboveground cabling and piping, qualified as a building material. The same conclusion was reached for the cooling tower.

In regards to the electrical equipment, the transformers that were welded to the main tank qualified as building materials, and the power circuit breakers that were attached to a steel structure that was anchored to a building foundation by anchor bolts qualified as building materials.

In addition, piping that was installed 4 to 10 feet underground qualified as a building material. Aboveground piping that was supported by 'T' supports that were physically attached to the foundation by anchor bolts, qualified as a building material. In addition, the piping that was physically welded to equipment supports that were attached to the foundation qualifies as a building material.

And lastly, the materials used to build the Power Distribution Building that had a structural steel frame with 24-gauge corrugated steel siding and roofing qualify as building materials.

PLR ST 01-0012 PLR (April 5, 2001)

This ruling addressed the applicability of the building materials exemption to items used in a coal fired electrical generation facility. The ruling reached the same conclusions as PLR 01-0045 with regard to similar types of generators. In addition, this ruling held that fire protection systems, including control panels, sprinklers, wires and pipes qualified as building materials as they were anchored to or incorporated into the walls and foundations of the facility. The ruling also stated that electrical systems used to control the plant, including the distributed control system and the generation control system,

qualified as building materials because the components were bolted to the walls and ran throughout the building.

The ruling also notes that component parts, as well as repair and replacement parts for items which are permanently affixed to real estate qualify for the exemption.

PLR ST 02-0012 PLR (June 10, 2002)

This ruling discussed the applicability of the building materials exemption to a gas fired electrical generation facility and was consistent with the foregoing rulings on the items discussed above. Specifically, the ruling held that the turbine that was delivered in major components to the site where it was constructed and permanently affixed to the foundation qualified as a building material. The generator, which was delivered to the site where it was constructed and permanently affixed to the foundation with anchor bolts, qualified as a building material. The stack that was 82 feet in height and was attached to the generator foundation with anchor bolts qualified as a building material. The air inlet system, which was attached to a foundation constructed on top of the generator foundation with anchor bolts and that was hardwired to underground and above ground cabling and piping, qualified as a building material.

The electrical transformers that were attached with anchor bolts to a reinforced steel concrete foundation qualified as building materials. The generator circuit breakers and the medium voltage cell structure that was attached to a support foundation with anchor bolts qualify as building materials. Electrical cabling housed in conduit and encased in a 'duct bank' which is concrete housing located 1 to 4 feet below the ground qualified as a building material. The above ground electrical non-segregated bus duct that ran 15 to 27 feet in the air and was supported by a structural utility rack that was physically attached to concrete footings by anchor bolts qualifies as a building material.

The piping that was installed underground qualified as a building material, and the above ground steel piping that was physically welded to supports that were in the foundation qualified as a building material.

Lastly, the turbine control center, the operations building and the power distribution center that were attached to the concrete foundation by anchor bolts qualified as building materials.

PLR ST-00-0034 (December 11, 2000)

In this ruling, the taxpayer was constructing a natural gas fired power plant in an Enterprise Zone. As part of the ruling, the Department explained that items such as asphalt and fencing materials that become permanently installed improvements to realty when conducting roadway paving and site security fencing qualify as building materials.

Discussion

Analysis of the relevant statute, regulation, and accompanying interpretations set forth in the private letter rulings cited above supports the conclusion that the items to be incorporated in the Project qualify for the enterprise zone building materials exemption. Specifically, the items will be purchased for incorporation into a new construction project which will be located inside the boundaries of an enterprise zone. The Company intends

that the items remain permanently affixed to items of real property (such as foundations and buildings) for the entirety of the items' useful life. The items are of the type considered building materials, as they are bolted, embedded, or otherwise permanently attached to real property and/or hardwired into the facilities electrical system.

The following points relate to the specific Project items listed below.

1. Wind Turbine Generators

The wind turbine generators, including the tower, nacelle and rotors, along with the component parts of each, should qualify for the building materials exemption under 86 Ill. Admin. Code 130.1951 and the rulings discussed above. The towers are anchored with anchor bolts to a concrete foundation, the nacelles are bolted to the tower with anchor bolts, and the rotors are bolted to the central hub, which is in turn bolted to the main drive shaft within the nacelle.

2. Foundations

The concrete, rebar, anchor bolts and other reinforcing materials used to create the foundations should qualify for the building materials exemption as they are permanently incorporated into real property under the terms of 86 Ill. Admin. Code 130.1951 and the rulings discussed above.

3. Tower Safety Systems

The aerodynamic and hydraulic braking systems should qualify for the building materials exemption as they are bolted to the nacelle of the tower. PLR ST 01-0012 notes that component parts of a structure that is attached to real property qualify for the exemption. In addition, the fire safety system should qualify for the exemption under the regulation and PLR ST 01-0012 because it is hardwired to the Project's electrical system.

4. Controllers

The turbine control center should qualify for the building materials exemption under 86 Ill. Admin. Code 130.1951 and the rulings discussed above, as the control center is hardwired into the Project's electrical system and the SCADA System control panels are bolted to the inside walls of the towers.

5. Transformers

The transformers should qualify for the building materials exemption under 86 Ill. Admin. Code 130.1951 and the rulings discussed above, as they are anchor bolted to concrete foundations and hardwired into the turbine control panel and the Project electrical collection system.

6. Electrical Collection System

The underground electrical cables and junction boxes should qualify for the building materials exemption under 86 Ill. Admin. Code 130.1951 and PLR 01-0045.

7. Project and Interconnection Substations

The substation equipment should qualify for the building materials exemption under 86 Ill. Admin. Code 130.1951 and the rulings discussed above because such equipment is bolted to steel support structures which are anchor bolted to concrete foundations.

8. Above Ground Transmission Line

The above ground transmission line will be suspended from steel support structures which are anchor bolted to concrete foundations and thus should qualify for the building materials exemption under 86 Ill. Admin. Code 130.1951 and the rulings discussed above.

9. Meteorological Towers

The meteorological towers should qualify for the building materials exemption under 86 Ill. Admin. Code 130.1951 and the rulings discussed above, as they are secured to concrete foundations by anchor bolts.

10. Operations and Maintenance Center

The Operations and Maintenance Center is a conventional building and thus should qualify for the building materials exemption under 86 Ill. Admin. Code 130.1951 and the rulings discussed above.

11. Access Roads

Construction of new roads and improvements to existing roads should qualify for the building materials exemption under 86 Ill. Admin. Code 130.1951 and PLR ST-00-0034, because the materials are being permanently incorporated into real property located within the boundaries of an enterprise zone.

12. Miscellaneous Equipment

In addition to the foregoing, we request that any other equipment will qualify for the building materials exemption if such equipment is purchased for the Project and is either permanently attached to the real estate (either directly or as a component of an item attached to the property) or is hardwired to the Project's electrical system.

Conclusions

Company respectfully requests a ruling from the Department confirming that the Project items described in this ruling request qualify as 'building materials' for purposes of the Retailers' Occupation Tax Act deduction provided in 35 ILCS 120/5k and 86 Ill. Admin. Code 130.1951. If the Department cannot conclude that the Project items qualify as 'building materials,' we request that the Department contact me to determine what additional information is required to so qualify or to allow the taxpayer to rescind the ruling request. We will also provide detailed Project information upon request.

Please contact me with any questions or to schedule a meeting to discuss any aspect of this ruling request. We appreciate your response on this issue. Thank you.

DEPARTMENT'S RESPONSE

Effective September 1, 1985, a deduction from Illinois Retailers' Occupation Tax liability exists for gross receipts from retail sales of building materials that will be incorporated into real estate located in an *enterprise zone established by a county or municipality under the Illinois Enterprise Zone Act by remodeling, rehabilitation or new construction*. (Section 5k of the Act).

Following various statutory changes, on and after August 6, 2002, the deduction is still available and there is no requirement that the retailer from whom the materials are purchased be located in a jurisdiction that created the enterprise zone into which the materials will be incorporated. In addition, restrictions in the enterprise zone ordinance in effect at the retailer's location are no longer applicable to purchases of building materials for incorporation into another enterprise zone. Rather, the municipality or county that created the enterprise zone into which the materials will be incorporated can limit the deduction by ordinance. However, that ordinance may not require that the materials be purchased from any class of retailers and it may not prohibit the purchase being made from any class of retailers. All "qualified sales" of building materials sold for incorporation into any Illinois enterprise zone are eligible for the deduction. (86 Ill. Adm. Code 130.1951(d)(1).)

A retailer claiming the deduction on and after August 6, 2002 must have among its books and records:

- A) a copy of the Certificate of Eligibility for Sales Tax Exemption from the administrator of the enterprise zone into which the materials will be incorporated; and
- B) a certification from the purchaser of the building materials containing the following:
 - i) a statement that the building materials being purchased are being purchased for incorporation into real estate located in an Illinois enterprise zone,
 - ii) the location or address of that real estate,
 - iii) the name of the enterprise zone in which that real estate is located,
 - iv) a description of the building materials being purchased for incorporation into that real estate,
 - v) the date of the purchase, and
 - vi) the purchaser's signature. (86 Ill. Adm. Code 130.1951(d)(4).)

Assuming that prior to making the purchases, Company has obtained the required Certificate of Eligibility for Sales Tax Exemption from the administrator of the enterprise zone into which the materials will be incorporated, we move on to the issue of whether or not the materials being purchased qualify as building materials. In order to qualify for the deduction, the materials being purchased must be building materials. That is, they must be purchased for physical incorporation into real estate. Items that are not physically incorporated into the real estate cannot qualify for the deduction.

- Wind Turbine Generators: The wind turbine generators are comprised of three main components: the tower, the nacelle, and the rotor. The towers are anchored with anchor bolts to a concrete foundation. The nacelles are bolted to the tower with anchor bolts. The rotors are bolted to the central hub, which is in turn bolted to the main drive shaft within the nacelle. The wind turbine generators including the tower, nacelle, and rotors, along with the component parts of each, qualify as building materials.
- Foundations: The concrete, rebar, anchor bolts and other reinforcing materials used to create the foundations are permanently incorporated into real property. These items qualify as building materials.
- Tower Safety Systems: The aerodynamic and hydraulic braking systems are bolted to the nacelle of the tower. Since component parts of a structure that is attached to real property qualify as building materials, these systems qualify. The fire safety system is hardwired to the electrical system. The fire safety system also qualifies as building materials.
- Controllers: The turbine control center is hardwired into the electrical system. The SCADA System control panels are bolted to the inside walls of the towers. These systems qualify as building materials.
- Transformers: The transformers are anchor bolted to the concrete foundations and they are hardwired into the turbine control panel and the electrical collection system. The transformers qualify as building materials.
- Electrical Collection System: The electrical collection system consists of electrical cables and junction boxes that transmit the electricity generated by the turbines through the transformers and to the substations. The majority of these cables and junction boxes will be buried underground. The electrical collection system qualifies as building materials.
- Project and Interconnection Substations: The substation equipment is bolted to steel support structures that are anchor bolted to concrete foundations. The Project and interconnection substation equipment qualifies as building materials.
- Above Ground Transmission Line: The above ground transmission line will transmit electricity produced by the turbine to the interconnection substation. The overhead transmission line will consist of wire conductors, insulators, steel support structures, and concrete foundations. The steel support structures will be anchor bolted to the concrete foundations. The above ground transmission line qualifies as building materials.
- Meteorological Towers: The meteorological towers will house instruments that measure wind speed, wind direction, air pressure, temperature and the presence of ice. The meteorological towers will be bolted with anchor bolts to concrete foundations and/or secured by guy wires. The towers qualify as building materials.
- Operations and Maintenance Center: The Operations and Maintenance Center is a conventional building. The materials used to build the Operations and Maintenance Center qualify as building materials.

- Access Roads: The Project may include improvements to existing public and private roads as well as the addition of new private roads. The materials used to improve and construct the roads qualify as building materials.
- Miscellaneous Equipment: Without further information, we are unable to issue a ruling regarding miscellaneous equipment. However, we refer you to the regulation at 86 Ill. Adm. Code 130.1951 for guidance.

The factual representations upon which this ruling is based are subject to review by the Department during the course of any audit, investigation, or hearing and this ruling shall bind the Department only if the factual representations recited in this ruling are correct and complete. This Private Letter Ruling is revoked and will cease to bind the Department 10 years after the date of this letter under the provisions of 2 Ill. Adm. Code 1200.110(e) or earlier if there is a pertinent change in statutory law, case law, rules or in the factual representations recited in this ruling.

If you have further questions concerning this Private Letter ruling, you may contact me at (217) 782-2844. If you have further questions related to the Illinois sales tax laws, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

Martha P. Mote
Associate Counsel

MPM:msk