

ST 00-0292-GIL 12/15/2000 SALES FOR RESALE

Illinois law requires a Certificate of Resale to contain the information set out in 86 Ill. Adm. Code 130.1405(b). (This is a GIL).

December 15, 2000

Dear Xxxxx:

This letter is in response to your letter dated October 23, 2000. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

A number of our clients are in the business of wholesale merchandise. During the course of business, they deal with the clients from other States who are

1. Storekeepers/Retailers in their own State
2. They have valid Sales Tax License Number from their State
3. They claim that they do not sell their merchandise in the State of Illinois

While purchasing the wholesale goods from our clients, they submit Sales Tax Exemption Certificate issued by their State and collect goods in their Carrier.

In order that the sales transaction is in order, are we required to ask for any other documents besides the Sales Tax Exemption Certificate.

Also please advise us whether this transaction is treated as Interstate sale or Wholesale.

We shall appreciate your opinion on this matter.

Thank you.

From the information in your letter, we were unable to ascertain whether the sales you described are sales in interstate commerce. Please note that where tangible personal property is located in this State at the time of its sale (or is subsequently produced in Illinois), and then delivered in Illinois to the purchaser, the seller is taxable if the sale is at retail. The tax does not extend to gross receipts from sales in which the seller is obligated, under the terms of his agreement with the

purchaser, to make physical delivery of the goods from a point in this State to a point outside this State, not to be returned to a point within this State, provided that such delivery is actually made. See 86 Ill. Adm. Code 130.605, enclosed.

Illinois law requires a Certificate of Resale to contain the information set out in 86 Ill. Adm. Code 130.1405(b), enclosed. A Certificate of Resale is a statement signed by the purchaser that the property purchased by him is purchased for purposes of resale. Provided that this statement is correct, the Department will accept Certificates of Resale as prima facie proof that sales covered thereby were made for resale. In addition to the statement, a Certificate of Resale must contain:

- 1) The seller's name and address;
- 2) the purchaser's name and address;
- 3) a description of the items being purchased for resale;
- 4) purchaser's signature, or the signature of an authorized employee or agent of the purchaser, and date of signing;
- 5) Registration Number, Resale Number, or Certification of Resale to Out-of-State Purchaser
  - A) purchaser's registration number with the Illinois Department of Revenue; or
  - B) purchaser's resale number issued by the Department of Revenue; or
  - C) a statement that the purchaser is an out-of-State purchaser who will sell only to purchasers located outside the State of Illinois.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis  
Associate Counsel

MAJ:msk  
Enc.