

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 130 Section 130.2085 Sales to or by Banks, Savings and Loan Associations and Credit Unions</b>
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**TITLE 86: REVENUE  
PART 130  
RETAILERS' OCCUPATION TAX**

**Section 130.2085 Sales to or by Banks, Savings and Loan Associations and Credit Unions**

a) Sales to Banks, Etc.

Retail sales to national banks, State-chartered banks, Federally-chartered savings and loan associations and other privately-owned financial institutions are subject to the Retailers' Occupation Tax. This conclusion also applies to sales of building materials and fixtures to construction contractors for incorporation into real estate owned by banks and savings and loan associations even if such real estate is used for bank or savings and loan association purposes. For the foregoing purposes, the date of sale is considered to be the date of delivery to the purchaser. Federally-chartered credit unions, the Federal National Mortgage Association (Fannie Mae), Farm Credit Banks, and Federal Home Loan Banks do not incur Use Tax liability when making purchases of tangible personal property for use or consumption. (See respectively 12 USC 1768, 12 USC 1723(a)(C)(2), 12 USC 2023 and 12 USC 1433.) Retailers making sales of tangible personal property to Federal credit unions, the Federal National Mortgage Association (Fannie Mae), Farm Credit Banks, and Federal Home Loan Banks are not able to reimburse themselves for the Retailers' Occupation Tax they incur as a result of making such sales by collecting the reimbursing Use Tax. Nonetheless, retailers making sales of tangible personal property to Federal credit unions, the Federal National Mortgage Association (Fannie Mae), Farm Credit Banks, and Federal Home Loan Banks do incur Retailers' Occupation Tax liability on their gross receipts from such sales.

b) Sales by Banks, Etc.

State-chartered banks and both Federally- and State-chartered savings and loan associations, which engage in selling tangible personal property at retail, are liable for Retailers' Occupation Tax on their receipts from such sales commencing March 17, 1965. Effective February 1, 1970, national banks that engage in selling tangible personal property at retail also are liable for Retailers' Occupation Tax on their receipts from such sales.

(Source: Amended at 24 Ill. Reg. 15104, effective October 2, 2000)