

Direct Pay Permit Holder Tax Determination Flowchart*



How do I determine my tax liabilities?

Is this purchase on a marketplace that is collecting tax ?

YES Are you buying directly from the marketplace facilitator (not from a marketplace seller on the marketplace)?

NO State and local retailers' occupation taxes are incurred at the tax rate in effect at the purchaser's location (destination rate).

YES Do the selling activities of the vendor otherwise occur in Illinois (see, e.g., [86 Ill. Adm. Code 270.115](#))?

YES State and local retailers' occupation taxes are incurred at the tax rate in effect at the location of the **selling activities**.

NO Is the item in Illinois at the time of purchase?

NO State and local retailers' occupation taxes are incurred at the tax rate in effect at the purchaser's location (destination rate).

YES State and local retailers' occupation taxes are incurred at the tax rate in effect at the location of the Illinois **inventory**.

NO Is the vendor an out-of-state retailer?

NO You must report your purchase on the appropriate location listing for the applicable tax rate. Follow Form ST-2-DP Instructions.

YES Does your vendor meet a 'Wayfair' nexus tax remittance threshold?

YES State and local retailers' occupation taxes are incurred at the tax rate in effect at the purchaser's location (destination rate).

NO Determine if your purchase is from registered or unregistered out-of-state retailer and follow Form ST-2-DP Instructions.

* This flowchart only applies to taxpayers who hold a Direct Pay Permit (Form ST-46).

For questions regarding this flowchart, contact REV.IllinoisDirectPaymentProgram@Illinois.gov