

For information regarding a licensed supplier in the distribution of charitable gaming equipment please see 86 Ill. Adm. Code 435.130. (This is a GIL.)

April 18, 2006

Dear Xxxxx:

This letter is in response to your letter dated September 22, 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](http://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:

On behalf of ABC, I respectfully request a General Information Letter from the Illinois Department of Revenue (the 'Department') pursuant to 2 Ill. Adm. Code 1200.110. As explained in more detail below, I respectfully request that the Department issue a Letter indicating that the conclusion expressed in the attached General Information Letter ('GIL') dated April 13, 2004 applies equally to companies licensed as suppliers under the Charitable Games Act, including ABC.

### **Background**

Like the company referenced in the attached Letter, ABC is often asked to provide equipment for casino-themed parties hosted by corporations to entertain their employees and guests. The sponsoring company pays ABC a fee based on the number of guests that will attend, the equipment rented, and the services provided. Guests are not charged to attend the event. Guests are given free chips to play casino-style games. No money is exchanged in connection with the casino-style games; no wagering or gambling is allowed. Guests play only for fun.

In the attached GIL, XYZ requested that the Department confirm that nothing in the Charitable Games Act (230 ILCS 30/1 et seq.) would prevent XYZ from providing supplies and equipment for the events described above. The Department agreed,

confirming that the above-described activities do not fall within the jurisdiction of the Department under the Charitable Games Act.

My client, ABC, would also like to provide supplies and equipment for events such as that described above. Because such events do not fall within the jurisdiction of the Department under the Charitable Games Act, it seems evident that nothing in the Charitable Games Act should prevent ABC from supplying these events.

However, unlike XYZ, ABC is licensed as a 'supplier' pursuant to section 6 of the Charitable Games Act (230 ILCS 30/6.). Because of this small difference between the companies, we would like to confirm that the conclusion expressed in the attached GIL applies equally to companies licensed as suppliers under the Charitable Games Act, including ABC.

Please contact me with any questions regarding this matter. I look forward to your favorable response.

#### **DEPARTMENT'S RESPONSE:**

A supplier of charitable gaming equipment licensed by the Illinois Department of Revenue must follow the rules and regulations established under the Charitable Games Act. The Department's rules are formulated to assure the general public that charitable gaming in Illinois will be performed in a manner that is consistent to allow for a fair and honest operation for both the charitable organizations and the players. For information regarding a licensed supplier in the distribution of charitable gaming equipment please see 86 Ill. Adm. Code 435.130(b)(3).

Unfortunately, we cannot provide you with the determination you have requested. The Department's regulation regarding a charitable games supplier licensed under the Act is clear, "[n]o supplier shall sell, lease, lend or distribute any item of charitable games equipment to any organization or entity not holding a license to conduct charitable games. To ensure that the organization to whom equipment is sold, leased, lent, or distributed is licensed for charitable gaming, the supplier shall obtain from the organization and retain among his or her books and records a copy of the organization's license showing the license number, expiration date and the event date for which the equipment was sold, leased, lent, or distributed." See 86 Ill. Adm. Code 435.130(b)(3).

I hope this information is helpful. If you require additional information, please visit our website at [www.tax.illinois.gov](http://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

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