

Gross receipts from the sale of newspapers and magazines in Illinois are not subject to sales tax. See 86 Ill. Adm. Code Section 130.2015. (This is a GIL.)

February 21, 2008

Dear Xxxxx:

This letter is in response to your letter dated September 4, 2007, 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:

ABC sells nutritional, dietary, and skin care products through a multi-level network of independent distributors. ABC is considered an 'MLM' or multi-level marketer such as Amway. Our physical location is in CITY/STATE. ABC charges sales tax based upon the address to which we ship and based upon full retail price. ABC files one consolidated state sales/excise tax return in lieu of each independent distributor filing a separate return with your state.

We sell the enclosed PUBLICATION to our Independent Distributors as a sales and marketing tool. The publication was briefly available for purchase in selected bookstores and retail locations by the general public in 2006; however, it is no longer available through retail outlets to the general public. We are requesting a General Information Letter to determine whether this publication should be classified as a tax exempt magazine or a taxable sales aid.

Please send the GIL to my attention at the address provided. If you need additional information, please feel free to contact me by phone.

Thank you for your assistance in this matter.

**DEPARTMENT'S RESPONSE**

We are unable to provide you with the specific response you request in the context of a General Information Letter. Provided below is information that will help you to determine the taxability of the PUBLICATION about which you inquired.

Gross receipts from the sale of newspapers and magazines in Illinois are not subject to sales tax. The Department's regulation regarding sellers of newspapers, magazines and books at 86 Ill. Adm. Code Section 130.2105(a)(2), states that:

*[s]ales of newspapers and magazines are not subject to the tax because of the newsprint and ink exemption (see Section 1 of the Act). In determining whether a publication qualifies as a magazine for the purpose of the newsprint and ink exemption, there is one test that must be met and several other factors to be considered. The test that must be met for a publication to qualify as a magazine is that it must be published periodically in the form of newsprint and ink. Periodically means at least two times per year. The other factors to be considered are whether a member of the public can subscribe to the publication, whether the publication is one that has the basic format of a magazine, including soft covers, individual pages and indexed articles, whether it contains articles and items that have value to the general public, and whether it contains general advertising. A publication that has one or more of these characteristics would be considered to be a magazine, assuming the initial test of periodic publication is met.*  
86 Ill. Adm. Code 130.22105(a)(2).

See also, *Moody's Investors Service, Inc. v. Department of Revenue* 445 N.E.2d 1331 (Ill. App. 1983), *affirmed* 461 N.E.2d 972 (1984).

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,

Debra M. Boggess  
Associate Counsel

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