

Gross receipts from the sales of legal tender, currency, medallions, gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion, are exempt from Retailers' Occupation Tax. See 86 Ill. Adm. Code 130.1910(c). (This is a GIL.)

April 2, 2008

Dear Xxxxx:

This letter is in response to your letter dated August 16, 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 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:

I have a couple of questions regarding the sale of currency and coins. Under IDOR regulations section 130.910 sections A and C, the explanation seems to be confusing in trying to interpret.

1. Are U.S. coins, foreign coins, bullion, and foreign and U.S. paper money **ALL** exempt from state sales tax in Illinois?
2. What is the definition of collector coins?
3. If we sell U.S. currency and/or coin for a greater than face value amount are we subject to sales tax?

For example, if a Buffalo Head Nickel with a face value of .05¢ is sold for \$100.00 – is there sales tax due?

Could you please provide examples as to when the sale of currency and/or coin would be taxable and non-taxable?

Thank you for your assistance in this matter.

DEPARTMENT'S RESPONSE

For general information, please see 86 Ill. Adm. Code 130.1910, which describes the exemption from Illinois Retailers' Occupation Tax liability for certain collector coins, medallions and legal tender.

Gross receipts from the sales of legal tender, currency, medallions, gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion, are exempt from Retailers' Occupation Tax. See 86 Ill. Adm. Code 130.1910(c). No certification or exemption identification numbers are required in order to document the nontaxable sales of such items.

Many coins sold by a dealer are exempt because of fitting within one of the exempt classifications in the statutory language (as legal tender, currency, or gold or silver coinage), so long as those items were issued by one of the listed governmental entities. This is true even if they have appreciated in value and have become rare and are unlikely to be used in today's commerce.

It must be remembered that the issuing entities listed in the statutory exemption language are the State of Illinois, the government of the United States of America, or the government of any foreign country. When a government or entity not mentioned in that list has issued a coin or similar item it is subject to tax pursuant to Section 130.1910(a).

For example, commemorative medallions minted by private businesses or other states would be subject to tax. Please be advised that gold coins or other coins incorporated into a pendant or other jewelry lose their exempt status. The entire gross receipts from the sale of such jewelry is taxable.

I hope this information is helpful. If you require additional information, please visit our website at 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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