

This letter references the Department's administrative rules for veterinarians. See 86 Ill. Adm. Code 130.2165. (This is a GIL.)

June 23, 2008

Dear Xxxxx:

This letter is in response to your letter dated September 6, 2007, in which you request information. We apologize for the delay in responding to your written inquiry so long after your telephone conversation with our office. 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:

Please find copy of letter you requested following our conversation September 5, 2007 approximately 4 p.m.

Please respond, **in writing**, your interpretation of the situation involving a relief veterinarian in regards to this letter. The relief veterinarian has purchased nothing for use in the clinic. She has a written contract for X amount of \$ for her service the day or days she will be at a particular clinic. She uses the equipment and supplies already at and purchased by the clinic. Because she has purchased no supplies or equipment, we are not sure how to do a self audit as requested in the letter.

Since the date of September 30th is being used in the letter, we ask a prompt response, so that we are able to reply timely.

Thank you for your consideration in this matter.

DEPARTMENT'S RESPONSE:

The letter referenced in your inquiry concerned a compliance agreement for veterinarians. The Department has recently amended its administrative rules regarding the tax liabilities of

veterinarians. See 86 Ill. Adm. Code 130.2165. The rule now clarifies a veterinarian's tax liabilities in regards to service transactions, sales of tangible personal property, and Use Tax incurred on items used in a veterinary practice.

You have inquired about situations involving "relief veterinarians." Our understanding of how relief veterinarians are used is that they are similar to employees who are hired to work at a veterinary clinic or other veterinary practice. Generally, the veterinary practice or clinic is considered the serviceman in this situation and is the person or entity that incurs a tax liability on any tangible personal property transferred incident to a sale or service, a retail sale, or on the items that are used or consumed in the veterinary practice or clinic.

Without reviewing the contractual arrangement between the relief veterinarian and the veterinary practice or clinic and the types of transactions that the veterinary practice or clinic is involved in, we cannot provide you with any specific information regarding any tax liability in your specific situation.

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,

Terry D. Charlton
Senior Counsel, Sales & Excise Taxes

TDC:msk