

Construction contractors who physically incorporate tangible personal property into real estate owned by exempt organizations or governmental entities that hold tax exempt "E" numbers can purchase such property tax free by providing their suppliers with the certification described in 86 Ill. Adm. Code 130.2075(d). See 86 Ill. Adm. Code Section 130.2075. (This is a GIL.)

July 23, 2008

Dear Xxxxx:

This letter is in response to your letter dated February 26, 2008, 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:

Based on your letter 'In claiming the exemption from tax, the construction contractor must provide its supplier with a certification stating that its purchase are for conversion into real estate under a contract with an exempt organization or governmental entity, identifying the organization or entity by name address and stating on what date was entered into. The construction contractor must also provide 'E' number issued by the Department to the organization or entity for which the purchasing contractor is acting'.

- 1) Invoice is to ABC.
- 2) The 'E' number is under NAME.
- 3) Job Exemption Certificate.
- 4) However our problem is. Can ABC use the document to be exempt from Illinois sales tax?

We appreciate your written advised [sic] on this regard.

**DEPARTMENT'S RESPONSE:**

The information that is required to document an exempt transaction has been provided to you in a number of previous General Information Letters. Whether or not you accept the Job Exemption Certificate and refund to the taxpayer the amount of any tax collected from the taxpayer is your decision.

The Department does not have the resources to informally review every certificate provided to retailers by a purchaser claiming an exemption and determine whether those transactions are exempt from the Retailers' Occupation Tax and Use Tax. Furthermore, requests of this nature generally do not provide sufficient and complete information to the Department for it to perform a thorough analysis and issue such a determination. A Department auditor would be in the best position to determine whether any transaction or transactions you had with exempt organizations or their contractors comply with the Department's regulations. You may request an audit by contacting the Department. Another alternative may be to seek advice from a tax professional with expertise in such matters.

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,

Richard S. Wolters  
Associate Counsel

RSW:msk