ST 99-0268-GIL 09/01/1999 FARM MACHINERY & EQUIPMENT

This letter rescinds part of letter ruling, ST 90-0414, concerning whether ear tags used to identify livestock can qualify for the Farm Machinery & Equipment Exemption. See 86 Ill. Adm. Code 130.305. (This is a GIL).

September 1, 1999

Dear Mr. Xxxxx:

This General Information Letter is being sent to you to rescind part of a letter ruling, ST 90-0414, that was sent to you dated July 10, 1990. A General Information Letter is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In our July 10, 1990 letter to you, our office informed you that ear tags for use in cattle production were subject to Retailers' Occupation Tax and Use Tax liability. This was incorrect and that part of the letter is rescinded effective immediately. Retailers' Occupation Tax and Use Tax does not apply to farm machinery and equipment that is used or leased for use primarily (over 50% of the time) in production agriculture or for use in State or federal agricultural programs. For your information, we have enclosed a copy of 86 Ill. Adm. Code 130.305, which is the Department's regulation concerning Farm Machinery and Equipment. Ear tags used primarily (over 50% of the time) in production agriculture will qualify for the Farm Machinery and Equipment Exemption. We apologize for any inconvenience this may have caused.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Terry D. Charlton
Associate Counsel

TDC:msk
Enc.