ST 03-0033-GIL 02/14/2003 MISCELLANEOUS

This letter discusses the sales tax liability of a group that provides a free service and issues a card to its customers. See 35 ILCS 120/1 et seq. (This is a GIL).

February 14, 2003

Dear Xxxxx:

This letter is in response to your letter to the Department of November 29, 2002. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which 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 subsections (b) and (c), which can be found at http://www.revenue.state.il.us/Laws/regs/part1200/.

In your letter, you have stated and made inquiry as follows:

AAA, an internet company, requests a written opinion as to the sales taxability to our Customers on the purchase of the following services:

1. **Emergency Card** – An individual carries this card at all times to provide medical personnel with important health information in the event of an emergency, most likely used if the person is unable to communicate. The card lists health conditions and allergies. There is also a place on the card for any additional notes.

   The card is an integration of health and prescription information, comprised of customer-input data and pharmacy data. The customer can update their health information when needed. If any changes affect the information that appears on the card, a new card will be created and mailed to the customer.

   Emergency personnel would locate the card and utilize the information that appears on the card. Additional information could be requested from a pharmacist by following the steps on the back of the card.

2. **Emergency Card Renewal** - renewal fees for the above-listed item.

Please find attached additional detailed information regarding the Emergency Card.

Thank you for your assistance in this matter. If you have any questions please feel free to contact me.

The Illinois Retailers' Occupation Tax Act, 35 ILCS 120/1 et seq., and the Use Tax Act, 35 ILCS 105/1 et seq., apply to the retail sale of tangible personal property. From the information provided, it does not appear that any tangible personal property is being sold. Therefore, no sales tax would apply.

AAA may owe sales tax when it purchases the cards that are given away free. It is difficult to tell what the specific liability is, without having more information. In the event that AAA charges for the card, Service Occupation Tax would apply.

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) 782-3336If 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 Section 1200.110(b).

Very truly yours,

Martha P. Mote
Associate Counsel

MPM:msk
Enc.