

ST 03-0129-GIL 08/18/2003 CONSTRUCTION CONTRACTORS

See August 31, 2001 letter. In Illinois, construction contractors are deemed end users of tangible personal property purchased for incorporation into real property. As end users of such tangible personal property, contractors incur Use Tax liability for such purchases based upon the cost price of the tangible personal property. 86 Ill. Adm. Code 130.1940 and 130.2075. (This is a GIL.)

August 18, 2003

Dear Xxxxx:

This letter is in response to your letter dated May 9, 2003. 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(b) and (c), which can be found on the Department's website at [www.revenue.state.il.us/Laws/regs/part1200/](http://www.revenue.state.il.us/Laws/regs/part1200/).

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

I am contacting you regarding our past correspondence, in which I wrote to you regarding the issue of sales tax. I greatly appreciated your response to my letter and all of the questions therein. I am enclosing a copy of our correspondences for your reference. In the event that there have been updates to the information, would you be as kind as in the past, to forward that information to me? AAA will be doing several projects throughout the state and wish to keep our information as current as possible.

The principles of the Service Occupation Tax and the Retailers' Occupation Tax in regards to construction contractors has not changed since the August 31, 2001 letter that you received from the Department.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at [www.revenue.state.il.us](http://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 Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis  
Associate Counsel

MAJ:msk  
Enc.