

**Illinois Department of Revenue
Regulations**

Title 86 Part 130 Section 130.450 Installation, Alteration and Special Service Charges

**TITLE 86: REVENUE
PART 130
RETAILERS' OCCUPATION TAX**

Section 130.450 Installation, Alteration and Special Service Charges

a) When Taxable

Where the seller engages in the business of selling tangible personal property at retail, and such tangible personal property is installed or altered for the purchaser by the seller (or some other special service is performed for the purchaser by the seller with respect to such property), the gross receipts of the seller on account of his charges for such installation, alteration or other special service must be included in the receipts by which his Retailers' Occupation Tax liability is measured, if such installation, alteration or other special service charges are included in the selling price of the tangible personal property which is sold. This is true whether the charge for the property which is sold and the charge for installation, alteration or other special services are billed by the seller to his customers as separate items (except when the purchaser signs an itemized invoice so as to make it a contract reflecting the intention of both the seller and the purchaser), or whether both items are included in a single billed price.

b) When Not Taxable

On the other hand, where the seller and the buyer agree upon the installation, alteration or other special service charges separately from the selling price of the tangible personal property which is sold, then the receipts from the installation, alteration or other special service charge are not a part of the "selling price" of the tangible personal property which is sold, but instead such charge is a service charge, separately contracted for, and need not be included in the figure upon which the seller computes his Retailers' Occupation Tax liability.

c) Cross Reference to Retailers' Occupation Tax Section 130.1940

For information concerning installations by real estate developers and construction contractors, see Section 130.1940 of this Part.

(Source: Amended at 5 Ill. Reg. 12794, effective November 2, 1981)