

AGENCY RESPONSE TO JOINT COMMITTEE RECOMMENDATION
TO EMERGENCY RULES

Date: June 5, 2014

Agency: Illinois Department of Revenue

Heading of the Part: Home Rule County Retailers' Occupation Tax

Code Citation: 86 Ill. Adm. Code 220

Register Citation: 38 Ill. Reg. 4047, February 7, 2014

Agency Response to Specific Joint Committee Recommendation:

The Joint Committee "recommended that with respect to the Department of Revenue's sales sourcing rules, DOR continue to work with the affected taxpayers and local governments in an attempt to establish, in the permanent rulemaking, standards for determining the situs of sales tax liability that are enforceable and that are understandable by the entities that are affected by them."

In response to this recommendation, the Department of Revenue undertook the following actions:

- On March 21, 2014, the Department held a public hearing and accepted testimony from numerous "affected taxpayers and local governments"
- On April 16, 2014, representatives of the Department held a working group meeting with the sales tax sourcing workgroup established by the Equipment Leasing and Financing Association (ELFA) to discuss proposals to make the permanent rules enforceable and understandable for leasing and financing companies.
- On April 30, 2014 and May 5, 2014, representatives of the Department held working group meetings with those representatives of those local taxing jurisdictions that had submitted comments on the proposed rules.
- On May 1, 2014, representatives of the Department held a working group meeting with representatives of trade organizations representing business interests, including the Chamber of Commerce, the Taxpayer Federation of Illinois, the Illinois Retailer Merchants Association, and the Illinois Manufacturers' Association.
- In addition, representatives of the Department engaged in follow up discussions on comments submitted by ReedSmith LLP, the Equipment Leasing and Financing Association, the Regional Transportation Authority, and the Village of Bridgeview.

Based on the comments received and the discussions identified above, the Department submitted on May 29, 2014 a revised rulemaking for Second Notice that establishes "standards for

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determining the situs of sale tax liability that are enforceable and understandable by the entities that are affected by them.”

/s/ Paul Berks

Paul Berks

Deputy General Counsel

Illinois Department of Revenue

AGENCY RESPONSE TO JOINT COMMITTEE RECOMMENDATION
TO EMERGENCY RULES

Date: June 5, 2014

Agency: Illinois Department of Revenue

Heading of the Part: Home Rule Municipal Retailers' Occupation Tax

Code Citation: 86 Ill. Adm. Code 270

Register Citation: 38 Ill. Reg. 4060, February 7, 2014

Agency Response to Specific Joint Committee Recommendation:

The Joint Committee “recommended that with respect to the Department of Revenue’s sales sourcing rules, DOR continue to work with the affected taxpayers and local governments in an attempt to establish, in the permanent rulemaking, standards for determining the situs of sales tax liability that are enforceable and that are understandable by the entities that are affected by them.”

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Based on the comments received and the discussions identified above, the Department submitted on May 29, 2014 a revised rulemaking for Second Notice that establishes “standards for

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determining the situs of sale tax liability that are enforceable and understandable by the entities that are affected by them.”

/s/ Paul Berks

Paul Berks, Deputy General Counsel
Illinois Department of Revenue

AGENCY RESPONSE TO JOINT COMMITTEE RECOMMENDATION
TO EMERGENCY RULEMAKING

Date: June 5, 2014

Agency: Illinois Department of Revenue

Heading of the Part: Regional Transportation Authority Retailers' Occupation Tax

Code Citation: 86 Ill. Adm. Code 320

Register Citation: 38 Ill. Reg. 4073, February 7, 2014

Agency Response to Specific Joint Committee Recommendation:

The Joint Committee "recommended that with respect to the Department of Revenue's sales sourcing rules, DOR continue to work with the affected taxpayers and local governments in an attempt to establish, in the permanent rulemaking, standards for determining the situs of sales tax liability that are enforceable and that are understandable by the entities that are affected by them."

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Based on the comments received and the discussions identified above, the Department submitted on May 29, 2014 a revised rulemaking for Second Notice that establishes "standards for

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/s/ Paul Berks

Paul Berks, Deputy General Counsel
Illinois Department of Revenue

AGENCY RESPONSE TO JOINT COMMITTEE RECOMMENDATION
TO EMERGENCY RULEMAKING

Date: June 5, 2014

Agency: Illinois Department of Revenue

Heading of the Part: Metro East Mass Transit District Retailers' Occupation Tax

Code Citation: 86 Ill. Adm. Code 370

Register Citation: 38 Ill. Reg. 4086, February 7, 2014

Agency Response to Specific Joint Committee Recommendation:

The Joint Committee "recommended that with respect to the Department of Revenue's sales sourcing rules, DOR continue to work with the affected taxpayers and local governments in an attempt to establish, in the permanent rulemaking, standards for determining the situs of sales tax liability that are enforceable and that are understandable by the entities that are affected by them."

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/s/ Paul Berks

Paul Berks, Deputy General Counsel
Illinois Department of Revenue

AGENCY RESPONSE TO JOINT COMMITTEE RECOMMENDATION
TO EMERGENCY RULEMAKING

Date: June 5, 2014

Agency: Illinois Department of Revenue

Heading of the Part: Metro-East Park and Recreation District Retailers' Occupation Tax

Code Citation: 86 Ill. Adm. Code 395

Register Citation: 38 Ill. Reg. 4099, February 7, 2014

Agency Response to Specific Joint Committee Recommendation:

The Joint Committee "recommended that with respect to the Department of Revenue's sales sourcing rules, DOR continue to work with the affected taxpayers and local governments in an attempt to establish, in the permanent rulemaking, standards for determining the situs of sales tax liability that are enforceable and that are understandable by the entities that are affected by them."

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determining the situs of sale tax liability that are enforceable and understandable by the entities that are affected by them.”

/s/ Paul Berks

Paul Berks, Deputy General Counsel
Illinois Department of Revenue

AGENCY RESPONSE TO JOINT COMMITTEE RECOMMENDATION
TO EMERGENCY RULEMAKING

Date: June 5, 2014

Agency: Illinois Department of Revenue

Heading of the Part: County Water Commission Retailers' Occupation Tax

Code Citation: 86 Ill. Adm. Code 630

Register Citation: 38 Ill. Reg. 4112, February 7, 2014

Agency Response to Specific Joint Committee Recommendation:

The Joint Committee "recommended that with respect to the Department of Revenue's sales sourcing rules, DOR continue to work with the affected taxpayers and local governments in an attempt to establish, in the permanent rulemaking, standards for determining the situs of sales tax liability that are enforceable and that are understandable by the entities that are affected by them."

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determining the situs of sale tax liability that are enforceable and understandable by the entities that are affected by them.”

/s/ Paul Berks

Paul Berks, Deputy General Counsel
Illinois Department of Revenue

AGENCY RESPONSE TO JOINT COMMITTEE RECOMMENDATION
TO EMERGENCY RULEMAKING

Date: June 5, 2014

Agency: Illinois Department of Revenue

Heading of the Part: Special County Retailers' Occupation Tax

Code Citation: 86 Ill. Adm. Code 670

Register Citation: 38 Ill. Reg. 4125, February 7, 2014

Agency Response to Specific Joint Committee Recommendation:

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Based on the comments received and the discussions identified above, the Department submitted on May 29, 2014 a revised rulemaking for Second Notice that establishes "standards for

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determining the situs of sale tax liability that are enforceable and understandable by the entities that are affected by them.”

/s/ Paul Berks

Paul Berks, Deputy General Counsel
Illinois Department of Revenue

AGENCY RESPONSE TO JOINT COMMITTEE RECOMMENDATION
TO EMERGENCY RULEMAKING

Date: June 5, 2014

Agency: Illinois Department of Revenue

Heading of the Part: Salem Civic Center Retailers' Occupation Tax

Code Citation: 86 Ill. Adm. Code 690

Register Citation: 38 Ill. Reg. 4138, February 7, 2014

Agency Response to Specific Joint Committee Recommendation:

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determining the situs of sale tax liability that are enforceable and understandable by the entities that are affected by them.”

/s/ Paul Berks

Paul Berks, Deputy General Counsel
Illinois Department of Revenue

AGENCY RESPONSE TO JOINT COMMITTEE RECOMMENDATION
TO EMERGENCY RULEMAKING

Date: June 5, 2014

Agency: Illinois Department of Revenue

Heading of the Part: Non-Home Rule Municipal Retailers' Occupation Tax

Code Citation: 86 Ill. Adm. Code 693

Register Citation: 38 Ill. Reg. 4151, February 7, 2014

Agency Response to Specific Joint Committee Recommendation:

The Joint Committee "recommended that with respect to the Department of Revenue's sales sourcing rules, DOR continue to work with the affected taxpayers and local governments in an attempt to establish, in the permanent rulemaking, standards for determining the situs of sales tax liability that are enforceable and that are understandable by the entities that are affected by them."

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/s/ Paul Berks

Paul Berks, Deputy General Counsel
Illinois Department of Revenue

AGENCY RESPONSE TO JOINT COMMITTEE RECOMMENDATION
TO EMERGENCY RULEMAKING

Date: June 5, 2014

Agency: Illinois Department of Revenue

Heading of the Part: County Motor Fuel Tax

Code Citation: 86 Ill. Adm. Code 695

Register Citation: 38 Ill. Reg. 4164, February 7, 2014

Agency Response to Specific Joint Committee Recommendation:

The Joint Committee “recommended that with respect to the Department of Revenue’s sales sourcing rules, DOR continue to work with the affected taxpayers and local governments in an attempt to establish, in the permanent rulemaking, standards for determining the situs of sales tax liability that are enforceable and that are understandable by the entities that are affected by them.”

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Paul Berks, Deputy General Counsel
Illinois Department of Revenue