

This letter concerns consolidation of businesses on a single sales tax return. (This is a GIL.)

October 22, 2007

Dear Xxxxx:

This letter is in response to your letter dated February 8, 2007, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

In an earlier Survey, your Department responded that filing a Consolidated Sales Tax Return was an acceptable method for fulfilling the state's sales and use tax filing requirements of a company operating more than one same brand brick and mortar location in your state. We have a situation that requires a clarification of your response.

We have a client that operates several retail stores in your state under a common brand name who has established each store under a separate Federal Employment Identity Number ('FEIN' hereafter). Each store is separately registered with your department and each store has its own state Sales Tax Registration Number. While your department has indicated that filing a consolidated return is allowed, it is unclear if that includes our client's situation, wherein, their commonly owned, commonly branded stores have different FEINs.

We believe that the existence of separate FEINs should not impact our ability to consolidate (for reporting purposes) otherwise commonly 'Branded' and commonly owned stores for the purpose of reducing the number of returns filed. We would anticipate filing a consolidated state sales tax return and all appropriate storefront schedules as required by your state for a company operating more than one brick and mortar same brand stores, which necessitates a breakdown of sales and / or tax by location.

By means of this letter we are respectfully requesting your concurrence and authorization of our request to file our client's sales and use tax returns on a consolidated basis. We would also appreciate receiving the contact information for a representative who we may contact to coordinate the necessary implementation steps.

## **DEPARTMENT'S RESPONSE**

We are unable to provide you with the authorization you have requested. In the situation you have described, when the retail stores are reporting under separate FEINs, the Department does not generally allow those stores to be consolidated on a single sales tax return under one Illinois registration (IBT) number.

If you require additional information, you may contact the Department's Central Registration Division at (217) 785-3707, the Department's Taxpayer Information Division at (217) 782-3336, or our website at [www.ILTAX.com](http://www.ILTAX.com). If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Terry D. Charlton  
Senior Counsel, Sales & Excise Taxes

TDC:msk