

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 130 Section 130.1950 Sales of Building Materials Incorporated into the Illiana Expressway</b>
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**TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 130  
RETAILERS' OCCUPATION TAX**

**Section 130.1950 Sales of Building Materials Incorporated into the Illiana Expressway**

- a) Section 1q of the Retailers' Occupation Tax Act creates an exemption for the sale of qualified building materials to be incorporated into the Illiana Expressway as defined in the Public Private Agreements for the Illiana Expressway Act [605 ILCS 130]. *Each retailer that makes a qualified sale of building materials to be incorporated into the Illiana Expressway by remodeling, rehabilitating, or new construction, may deduct receipts from those sales when calculating the tax imposed by this Act. As used in this Section, "qualified sale" means a sale of building materials that will be incorporated into the Illiana Expressway for which a Certificate of Eligibility for Sales Tax Exemption (Exemption Certificate) has been issued by the Illinois Department of Transportation (IDOT), which has authority over the project. [35 ILCS 120/1q]* A purchaser shall not make tax-free purchases unless it has an active Exemption Certificate issued by IDOT at the time of purchase.
  
- b) *To document the exemption allowed under this Section, the retailer must obtain from the purchaser:*
  - 1) *a copy of the Exemption Certificate issued by IDOT, and*
  - 2) *a written certification that contains all of the following:*
    - A) *a statement that the building materials are being purchased for incorporation into the Illiana Expressway in accordance with the Public Private Agreements for the Illiana Expressway Act;*
    - B) *the location or address of the project into which the building materials will be incorporated;*
    - C) *the name of the project;*
    - D) *a description of the building materials being purchased; and*
    - E) *the purchaser's signature and date of purchase. [35 ILCS 120/1q (c) and (d)]*
  
- c) In order to qualify for the exemption, the materials being purchased must be building materials. That is, they must be purchased for physical incorporation into an Illiana Expressway location. For example, gross receipts from sales of the following can qualify for the exemption:

- 1) building materials, such as cement or asphalt used to construct roadways, on ramps and off ramps;
  - 2) common building materials, such as lumber, bricks, cement, windows, doors, insulation, roofing materials and sheet metal;
  - 3) plumbing systems and their components, such as bathtubs, lavatories, sinks, faucets, garbage disposals, water pumps, water heaters, water softeners and water pipes;
  - 4) heating systems and their components, such as furnaces, ductwork, vents, stokers, boilers, heating pipes and radiators;
  - 5) electrical systems and their components, such as wiring, outlets and light fixtures that are physically incorporated into an Illiana Expressway location;
  - 6) central air conditioning systems, ventilation systems and their components that are physically incorporated into an Illiana Expressway location;
  - 7) built-in cabinets and other woodwork that is physically incorporated into an Illiana Expressway location;
  - 8) built-in appliances, such as refrigerators, stoves, ovens and trash compactors that are physically incorporated into an Illiana Expressway location;
  - 9) floor coverings, such as tile, linoleum and carpeting that are glued or otherwise permanently affixed to an Illiana Expressway location by use of tacks, staples, or wood stripping filled with nails that protrude upward (sometimes referred to as "tacking strips" or "tack-down strips"); and
  - 10) landscape products, such as trees, shrubs, topsoil and sod that are physically incorporated (i.e., transplanted) into an Illiana Expressway location.
- d) Items that are not physically incorporated into an Illiana Expressway location cannot qualify for the exemption. For example, gross receipts from sales of the following do not qualify for the exemption:
- 1) tools, machinery, equipment, fuel, forms and other items that may be used by a construction contractor at an Illiana Expressway location, but that are not physically incorporated into an Illiana Expressway location;
  - 2) free-standing appliances, such as stoves, ovens, refrigerators, washing machines, portable ventilation units, window air conditioning units, lamps, clothes washers, clothes dryers, trash compactors and dishwashers that may be connected to and operate from a building's electrical or plumbing system but do not become a component of those systems,
  - 3) floor coverings that are area rugs or that are attached to the structure using only two-sided tape.

(Source: Amended at 39 Ill. Reg. 14616, effective October 22, 2015)