



George Van Dusen
Mayor

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March 14, 2014

Paul Berks
Deputy General Counsel
Illinois Department of Revenue
100 West Randolph Street, 7th Floor
Chicago, Illinois 60601

VIA EMAIL TO: paul.berks@illinois.gov

Dear Mr. Berks:

I am writing on behalf of the Village of Skokie in regard to the proposed amendments to regulations relating to local retailers' occupation taxes as published by the Illinois Department of Revenue in the Illinois Register on February 7, 2014.

Like most communities in Illinois, Skokie is reliant on retailers occupation taxes as part of the total revenue stream needed to fund local government operations and deliver core public services. Broadly, the position of the Village of Skokie is that retailers' selling activities are made possible by the myriad public investments and direct services provided by local units of government, and that the rules governing determination of proper tax jurisdiction should reflect this reality.

We offer the following recommendations:

Section 7(A) and 7(B): Delete section titled "Order Acceptance Not Doing Business in the Jurisdiction".

The place of order acceptance should not be considered, on its own, as a single factor determining the proper tax jurisdiction. It would be very unlikely that a retailer would locate its "order acceptance" location elsewhere from the location of its major selling activities. While there are many factors in determining the proper taxing jurisdiction that apply to the "business of selling", our position is that segregating the location of order acceptance into a separate section invites conflicting interpretation of the intent of these amendments and is unnecessary.

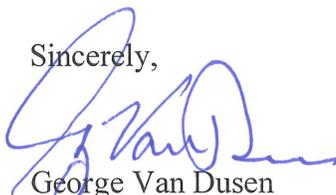
Section 7(d)(2) and Section 7(d)(3): The distinction between Primary and Secondary factors should be removed in determining the proper tax jurisdiction.

The determination of proper tax jurisdiction should be primarily based on where the retailer's selling activities most benefit from the services provided by local governments. Recognizing that other determining factors are considered, and described in these sections, we do not understand the benefit of establishing two different categories of priority. All factors should be grouped together as one set.

In addition, we respectfully suggest the list of business activities be written to be open-ended in making a determination of proper tax jurisdiction. The proposed list of activities should not be written as a final and complete list of factors to consider. Rather than limit the types of activities to the proposed list, our position is that a more open-ended list would allow for additional factors that may be relevant in making a determination, though not currently explicitly listed.

Thank you for the opportunity to provide comments on the proposed amendments.

Sincerely,



George Van Dusen
Mayor