

The sale of legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion are exempt from Retailers' Occupation Tax. See 86 Ill. Adm. Code 130.1910. (This is a GIL.)

January 28, 2021

Dear Xxxx:

This letter is in response to your letter dated April 10, 2019, in which you requested 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.tax.illinois.gov](http://www.tax.illinois.gov) 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:

We are working with a client that will be selling paper currency to customers in Illinois. The currency was generally issued by a nation or state's government, has a monetary face value and is or was considered legal tender by the state or country issue. Examples of the types of currency that our client will be selling include the 1882 Date Back \$10 Princeton, Illinois, or the 1934 Federal Reserve Note \$10,000.

It is our understanding that although Illinois imposes a retailer's occupation tax on retail sales of tangible personal property, the gross receipts from the sale of legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion are exempted from the tax (ILCS §120/2; ILCS § 120/2-5(18); and Ill. Admin. Code 130.1910(c)). Accordingly, as the paper currency was issued by the State or Illinois or the government of the United States of America, and it is considered currency/legal tender, even though it's unlikely they would ever be used for such purposes, the sale of these bills or notes would be exempt from sales tax.

We would appreciate your confirmation of our understanding that the sale of legal tender and currency, whether formerly or currently in circulation, qualifies for the exemption as noted in ILCS § 120/2-5(18); and Ill. Admin. Code 130.1910(c).

If you have any questions or need any additional information please feel free to reach out to us.

**DEPARTMENT'S RESPONSE:**

The Retailers' Occupation Tax Act imposes a tax upon persons engaged in this State in the business of selling tangible personal property at retail to purchasers for use or consumption. See 86 Ill. Adm. Cod 130.101. Use Tax is imposed on the privilege of using, in this State, any kind of tangible personal property that is purchased anywhere at retail from a retailer. See 86 Ill. Adm. Code 150.101. These taxes comprise what is commonly known as "sales tax" in Illinois. Purchases of tangible personal property are subject to Illinois sales tax unless a purchase qualifies for an exemption under Illinois law.

Notwithstanding the fact that the sales may be at retail, gross receipts from the sales of legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion are exempt from Retailers' Occupation Tax. See 120 ILCS 2-5(18); 86 Ill. Adm. Code 130.1910(c); Section 130.120(aa). This exemption applies even if these items have appreciated in value and have become rare and are unlikely to be used in today's commerce.

Note, however, when a government or entity that is not listed in the statute issues a coin or similar item, it is subject to tax pursuant to Section 130.1910(a). For example, commemorative medallions minted by private businesses or other states would be subject to tax. Further, any coins or other items covered by the exemption that are incorporated into jewelry lose their exempt status, and the entire gross receipts from the sale of such jewelry is taxable.

I hope this information is helpful. If you require additional information, please visit our website at [www.tax.illinois.gov](http://www.tax.illinois.gov) or contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

Alexis K. Overstreet  
Associate Counsel

AKO:rkn