

ST-22-0014 04/14/2022 MISCELLANEOUS

This letter responds to an annual survey. (This is a GIL)

April 14, 2022

NAME  
ADDRESS

Dear NAME:

This letter is in response to your email dated December 13, 2021, in which you requested information. Department of Revenue (“Department”) regulations require that the Department issue only two types of letter rulings, Private Letter Rulings (“PLRs”) and General Information Letters (“GILs”). 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 against the Department, but only as to the taxpayer issued the ruling and only to the extent the facts recited in the PLR are correct and complete. The purpose of GILs is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. GILs do not constitute statements of Department policy that apply, interpret, or prescribe the tax laws, and are not binding on the Department. See 2 Ill. Admin. Code 1200 for more information. 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:

I am writing to ask you to complete the questionnaire for the 2022 BUSINESS Tax Survey of State Tax Departments on behalf of your state. The survey covers many of the gray areas of state tax law. Your responses will provide useful guidance for taxpayers in complying with your state’s laws.

Attached is an Excel spreadsheet containing the questions for 2022. Like last year’s questionnaire, this year two columns of the spreadsheet have all of your state’s responses and comments for 2021. Adjacent columns are there for you to record your responses and comments for 2022. To avoid any errors, please fill out the 2022 column even if the answer has not changed from 2021.

If you are adding or revising question specific comments, please use the 2022 comment box that relates to that question directly. If you are adding or revising a comment that applies to multiple questions or all questions in a category, please use the 2022 comment box at the end of the category. You can either scroll down for this comment or click the

hyperlinked text in the chart, when available. If you would like to add or change information you have previously recorded in the comments section, please make those modifications in red font.

Additionally, we ask that you note where you have intentionally left questions blank. We are required to follow-up regarding any unanswered questions and making note of intentionally unanswered questions allows us to process and analyze the data faster. This can be accomplished by typing “blank” or “no response” in the answer column or simply noting in your e-mail that questions were left blank intentionally.

The questionnaire should be completed based on state law as of January 1, 2022.

Some new questions have been added to this year’s questionnaire. The new questions and subsections are denoted in blue font.

We have also included a new column where you may include feedback or notes on the questions in this year’s questionnaire. Information included in this column will not be published as part of our survey report. Any feedback you choose to provide is greatly appreciated and will be incredibly helpful in drafting future versions of our questionnaire.

Please return your questionnaire to us by Feb. 25, 2022. Your completed Excel spreadsheet should be e-mailed to me at BUSINESS.

Your responses, along with the responses we receive from other states, will be published by BUSINESS, a leading publisher of international, federal, and state tax analysis. More information about BUSINESS can be found at BUSINESS.

If you have any questions about this or if there is any way I can help you to complete this year’s questionnaire, please contact me at BUSINESS or PHONE. I look forward to working with you. Thank you.

## **DEPARTMENT’S RESPONSE:**

Please see the 2022 responses and comments on the attached Excel spreadsheet.

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 Assistance Division at (800) 732-8866 or (217) 782-3336.

Sincerely,

Thomas Grudichak  
Associate Counsel

**BUSINESS  
2021 SURVEY OF STATE TAX DEPARTMENTS**

**Section I. Sales Tax Policies**

A. Identify any statute, regulation, administrative pronouncement, or judicial decision that sets forth your state's sales tax nexus policy	2021 Response	2022 Response
1. Statute(s) addressing sales tax nexus:	No Response	35 ILCS 105/2, 35 ILCS 105/2d, 35 ILCS 120/2
2. Regulation(s) addressing sales tax nexus:	No Response	86 Ill. Adm. Code 131.101 <i>et seq.</i>
3. Administrative pronouncement(s) addressing sales tax nexus:	No Response	
4. Judicial decision(s) addressing sales tax nexus:	No Response	<i>South Dakota v. Wayfair; Brown's Furniture v. Wagner</i> , 171 Ill. 2d 410 (1996).

B. Application of Nexus Standards	2021 Response	2021 Comment	2022 Response	2022 Comment
1. Your state's sales tax nexus policy is based <b>only</b> on physical presence.	No Response		No	
2. Your state's sales tax nexus policy is based <b>only</b> on economic presence. (If "yes," please state the dollar and/or transaction threshold for economic nexus in the comment to this question. If you do not have a set threshold, please explain in the comment to this question.)	No Response		No	
3. Your state's sales tax nexus policy is based on <b>both</b> physical and economic presence. (If "yes," please state the dollar and/or transaction threshold for economic nexus in the comment to this question. If you do not have a set threshold, please explain in the comment to this question.)	No Response		Yes	(1) the cumulative gross receipts from sales of tangible personal property to purchasers in Illinois are \$100,000 or more; or (2) the retailer enters into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois. 35 ILCS 120/2(b) and (c)

**Comment applicable to all questions in Section I.B.**

2021 Comment:	2022 Comment:
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).	See 35 ILCS 120/2-(b) and (c); Ill. Dept. of Rev., Informational Bulletin FY 2022-04 (October 2021)

C. Economic Nexus: Sales Threshold	2021 Response	2021 Comment	2022 Response	2022 Comment
Answer "yes" or "no" to the questions in this section. If your response to question 2 in Part B of Section I is "no," answer "not applicable."				
1a. Your state calculates whether or not the economic nexus threshold has been met based on sales made in the current calendar year.	No Response		No	
1b. Your state calculates whether or not the economic nexus threshold has been met based on sales made in the previous calendar year.	No Response		No	
1c. Your state calculates whether or not the economic nexus threshold has been met based on sales made in the immediately preceding 12-month period.	No Response		No	
1d. Your state calculates whether or not the economic nexus threshold has been met based on sales made in the immediately preceding four quarters.	No Response		Yes	35 ILCS 120/2(b) and (c).
1e. Your state calculates whether or not the economic nexus threshold has been met based on sales made over a different period of time. (If "yes," explain in the comment to this question).	No Response		No	
2a. Your state <b>includes</b> the following type of transaction when determining whether or not an out-of-state retailer has nexus with your state: wholesale sales (i.e., sales for resale) delivered into your state.	No Response		No	86 Ill. Adm. Code 131.120(b)(1).
2b. Your state <b>includes</b> the following type of transaction when determining whether or not an out-of-state retailer has nexus with your state: tax-exempt, sales of tangible personal property delivered into your state (e.g., only sales of exempt medical products).	No Response		Yes	86 Ill. Adm. Code 131.120(c). Excluded if all sales are non-taxable. If any taxable sales are made, exempt sales are included in determining if the threshold is met. See also 86 Ill. Adm. Code 131.140.
2c. Your state <b>includes</b> the following type of transaction when determining whether or not an out-of-state retailer has nexus with your state: sales of taxable services delivered into or sourced to your state.	No Response		No Response	35 ILCS 110/2 "Serviceman maintaining a place of business in this State."
2d. Your state <b>includes</b> the following type of transaction when determining whether or not an out-of-state retailer has nexus with your state: sales of nontaxable services delivered into or sourced to your state.	No Response		No Response	
2e. Your state <b>includes</b> the following type of transaction when determining whether or not an out-of-state retailer has nexus with your state: sales of items delivered electronically into your state.	No Response		No Response	See taxation of computer software 86 Ill. Adm. Code 130.1935.
2f. Your state <b>includes</b> the following type of transaction when determining whether or not an out-of-state retailer has nexus with your state: sales of intangible personal property delivered into your state.	No Response		No	
2g. Your state <b>includes</b> the following type of transaction when determining whether or not an out-of-state retailer has nexus with your state: sales of digital items accessed via the cloud (e.g., SaaS).	No Response		No	
2h. Your state <b>includes</b> the following type of transaction when determining whether or not an out-of-state retailer has nexus with your state: sales made through an online marketplace (e.g., Ebay).	No Response		No	Sales are excluded when the marketplace facilitator is considered the retailer. See 86 Ill. Adm. Code 131.120(b)(2).

2i. Your state <b>includes</b> the following type of transaction when determining whether or not an out-of-state retailer has nexus with your state: sales made by an affiliated company.	No Response		No	
<b>Comment applicable to all questions in Section I.C.</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		See 35 ILCS 120/2(b) and (c), 35 ILCS 110/2, 86 Ill. Adm. Code 131.105, 131.120(b);131.140(b).		

D. Nexus Enforcement Policies	2021 Response	2021 Comment	2022 Response	2022 Comment
1. Your state sends a nexus questionnaire to out-of-state retailers that it believes might be doing business within its borders.	No Response		No Response	
2. Your state requires out-of-state retailers to report sales made within the state to the state tax department.	No Response		Yes	
3. Your state requires out-of-state retailers to notify in-state customers of their obligation to pay use tax.	No Response		No Response	86 Ill. Adm. Code 150.130; 86 Ill. Adm. Code 150.135(d); 86 Ill. Adm. Code 150.401(b).
4. Your state would find taxable nexus for the entire taxable year (but no more), for an out-of-state retailer that stops an activity during the tax year that once created nexus (i.e., trailing nexus).	No Response		Yes	86 Ill. Adm. Code 131.115(b); 86 Ill. Adm. Code 131.135(c) and (d).
5. Your state would find taxable nexus for the entire taxable year, plus an additional year (and no more), for an out-of-state retailer that stops an activity during the tax year that once created nexus (i.e., trailing nexus).	No Response		No	86 Ill. Adm. Code 131.115(d) and (e); 86 Ill. Adm. Code 131.135(c) and (d).
6. Your state would find taxable nexus for the taxable year, plus more than an additional year, for an out-of-state retailer that stops an activity during the tax year that once created nexus (i.e., trailing nexus).	No Response		No	86 Ill. Adm. Code 131.115(d) and (e); 86 Ill. Adm. Code 131.135(c) and (d).
7. Do your answers to questions 4 - 6 on "trailing nexus," depend on the magnitude of the nexus-creating activity (e.g., three salesperson visits resulting in the sale of a used car, versus three CEO visits resulting in the sale of a petroleum super tanker)? (If "yes," explain how long your state would continue to find taxable nexus after the discontinuation of the nexus-creating activities in the comment to this question.)	No Response		Not Applicable	
8. Does your state have a time period during which a retailer who has established nexus with your state must register for sales tax collection? (If "yes," please identify how long they have to register in the comment to this question.) (BTAX Editor's Note: The wording to this question was revised to elicit a yes/no response, but the substance of the question has not changed from 2021.)	No Response		Yes	86 Ill. Adm. Code 131.115(b).
9. Are sellers located outside the United States required to register to collect sales tax in your state if they meet your state's economic nexus threshold but do not have physical presence in your state? (If your state does not have an economic nexus threshold, respond "not applicable.")	No Response		Yes	86 Ill. Adm. Code 131.115(a).
<b>Comment applicable to all questions in Section I.D.</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		Informational Bulletin FY 2022-04 (October 2021). See also "Level the Playing Field for Illinois Retail Act Resource Page at <a href="http://www.tax.illinois.gov">www.tax.illinois.gov</a>		

E. Sales Tax Sourcing and Method of Delivery	2021 Response	2021 Comment	2022 Response	2022 Comment
In transactions that take place across more than one jurisdiction, sourcing rules are used to determine the place of the sale and what jurisdiction is entitled to the tax generated from a particular transaction. The following questions are aimed at determining your state's sourcing rules for transactions in which either a buyer or seller is located in a different state or local jurisdiction within your state.				
1. For interstate transactions, does your state use a destination-based sourcing method in which the location the consumer takes delivery of the tangible personal property is the place of sale?	No Response		Yes	For sales made by a remote retailer and marketplace facilitator which meet a threshold test. 86 Ill. Adm. Code 131.110; 86 Ill. Adm. Code 131.155.
2. For intrastate transactions, does your state use a destination-based sourcing method in which the location the consumer takes delivery of the tangible personal property is the place of sale? (If local sales tax is not imposed in your state, respond "not applicable.")	No Response		Yes	For sales by a marketplace facilitator which meets a threshold test. 86 Ill. Adm. Code 131.155. For sales by other retailers see 2022 Comment below.
3. For interstate transactions, does your state use an origin-based sourcing method in which the location the vendor receives the order for the good or service is the place of sale?	No Response		No	If the sales are made by a remote retailer or marketplace facilitator which meet a threshold test. 86 Ill. Adm. Code 131.110; 86 Ill. Adm. Code 131.130.
4. For intrastate transactions, does your state use an origin-based sourcing method in which the location the vendor receives the order for the good or service is the place of sale? (If local sales tax is not imposed in your state, respond "not applicable.")	No Response		No	If the sales are made by a marketplace facilitator which meet a threshold test. 86 Ill. Adm. Code 131.130. For sales by other retailers see 2022 Comment below.
5. For interstate transactions, does your state source services such as repairs of tangible personal property to the location where the repairs were made?	No Response		No	
6. For intrastate transactions, does your state source services such as repairs of tangible personal property to the location where the repairs were made? (If local sales tax is not imposed in your state, respond "not applicable.")	No Response		No	See also 2022 Comment below.
7. For interstate transactions, does your state source services such as repairs of tangible personal property to the location where the buyer regains possession of the repaired item?	No Response		No	
8. For intrastate transactions, does your state source services such as repairs of tangible personal property to the location where the buyer regains possession of the repaired item? (If local sales tax is not imposed in your state, respond "not applicable.")	No Response		No	See also 2022 Comment below.
9. Does the method by which canned software is delivered from a remote seller to a purchaser in your state affect whether the item is taxed as tangible personal property (e.g., delivered on a DVD or CD ROM versus electronic download)? (If your state does not tax software, respond "not applicable.")	No Response		No	86 Ill. Adm. Code 130.1935.
10. Are amounts paid by in-state customers to remotely access canned or prewritten software that is hosted on a server subject to sales or use tax in your state?	No Response		No	See Illinois Private Ruling Letter 17-GC-0006 (8/14/2017) for questions 10-11d.
11a. Does your state source amounts paid for canned or prewritten software that is accessed, but not delivered to a customer in your state by the location of the server?	No Response		No	

11b. Does your state source amounts paid for canned or prewritten software that is accessed, but not delivered to a customer in your state by the customer's billing address?	No Response		No	
11c. Does your state source amounts paid for canned or prewritten software that is accessed, but not delivered to a customer in your state by where the software is used?	No Response		No	
11d. Does your state source amounts paid for canned or prewritten software that is accessed, but not delivered to a customer in your state using a different method than those described in questions 11a - 11c? (If "yes," explain in the comment to this question.)	No Response		No	
12a. Does your state source amounts paid for digital goods other than software (e.g., streaming services), accessed but not downloaded by a customer in your state by the location of the server? (If your state does not tax digital goods such as streaming services, respond "not applicable.")	No Response		Not Applicable	
12b. Does your state source amounts paid for digital goods other than software (e.g., streaming services), accessed but not downloaded by a customer in your state by the customer's billing address? (If your state does not tax digital goods such as streaming services, respond "not applicable.")	No Response		Not Applicable	
12c. Does your state source amounts paid for digital goods other than software (e.g., streaming services), accessed but not downloaded by a customer in your state by the location where the digital goods are used? (If your state does not tax digital goods such as streaming services, respond "not applicable.")	No Response		Not Applicable	
12d. Does your state source amounts paid for digital goods other than software (e.g., streaming services), accessed but not downloaded by a customer in your state using a method other than those described in questions 12a - 12c? (If your state does not tax digital goods such as streaming services, respond not applicable.) (If "yes," explain in the comment to this question.)	No Response		Not Applicable	
13a. Does your state source amounts paid for digital goods other than software (e.g., digital music), accessed but not downloaded by a customer in your state by the location of the server? (If your state does not tax digital goods such as digital music, respond "not applicable.")	No Response		Not Applicable	
13b. Does your state source amounts paid for digital goods other than software (e.g., digital music), accessed but not downloaded by a customer in your state by the customer's billing address? (If your state does not tax digital goods such as digital music, respond "not applicable.")	No Response		Not Applicable	
13c. Does your state source amounts paid for digital goods other than software (e.g., digital music), accessed but not downloaded by a customer in your state by the location where the digital goods are used? (If your state does not tax digital goods such as digital music, respond "not applicable.")	No Response		Not Applicable	
13d. Does your state source amounts paid for digital goods other than software (e.g., digital music), accessed but not downloaded by a customer in your state using a method other than those described in questions 13a - 13c? (If your state does not tax digital goods such as digital music, respond not applicable.) (If "yes," explain in the comment to this question).	No Response		Not Applicable	

**Comment applicable to all questions in Section I.E.**



<b>2021 Comment:</b>	<b>2022 Comment:</b>
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).	For questions 2,3,4,6,8, See also 86 Ill. Adm. Code 220.215, 230.115, 270.115, 280.115, 320.115, 330.115, 370.115, 380.115, 395.115; 396.115. See also Illinois General Information Letters 21-GC-0018 (04/22/2021).

F. Sharing Economy	2021 Response	2021 Comment	2022 Response	2022 Comment
1. For transactions for the provision of transportation services for passengers that are arranged by a third party vendor (e.g., Uber or Lyft), does your state impose the tax collection obligation on the third party vendor?	No Response		Not Applicable	
2. For transactions for the provision of transportation services for passengers that are arranged by a third party vendor (e.g., Uber or Lyft), does your state impose the tax collection obligation on the driver?	No Response		Not Applicable	
3. For transactions for the provision of short-term accommodations that are facilitated by a third party (e.g., Airbnb), does your state impose the tax collection obligation on the third party?	No Response		No	
4. For transactions for the provision of short-term accommodations that are facilitated by a third party (e.g., Airbnb), does your state impose the tax collection obligation on the owner of the accommodations?	No Response		Yes	
5. For transactions for the provision of short-term accommodations that are facilitated by a third party (e.g., Airbnb), does the taxable price include any fee, commission, or similar charge paid to the third party?	No Response		Not Applicable	
6. For transactions for the short-term rental of owners' vehicles facilitated by a third party (e.g., GetAround, Turo), does your state impose the tax collection obligation on the third party?	No Response		Yes	35 ILCS 120/2; 35 ILCS 155/3;155/4. See also Illinois Private Ruling Letter 22-0002 (2/1/2022).
7. For transactions for the short-term rental of owners' vehicles facilitated by a third party (e.g., GetAround, Turo), does your state impose the tax collection obligation on the owner of the vehicle?	No Response		Yes	If the third party does not qualify as a marketplace facilitator.
8. For transactions for the short-term rental of owners' vehicles facilitated by a third party (e.g., GetAround, Turo), does the taxable price include any fee, commission, or similar charge paid to the third party?	No Response		Yes	
9. For delivery or errand services that are arranged by a third-party vendor (e.g., Postmates, Grub Hub, TaskRabbit), does your state impose the tax collection obligation on the third-party vendor?	No Response		Yes	If third party qualifies as a marketplace facilitator. 35 ILCS 120/2.
10. For delivery or errand services that are arranged by a third party vendor (e.g., Postmates, Grub Hub, TaskRabbit), does your state impose the tax collection obligation on the delivery person?	No Response		No	If the third party does not qualify as a marketplace facilitator, collection of tax is the responsibility of the retailer.
11a. For delivery or errand services that are arranged by a third party-vendor (e.g., Postmates, Grub Hub, TaskRabbit), does your state source amounts paid for deliveries/errands to a customer in your state by the location of the server? (If your state does not tax such delivery or errand services, respond "not applicable.")	No Response		No	86 Ill. Adm. Code 131.155(b).
11b. For delivery or errand services that are arranged by a third party-vendor (e.g., Postmates, Grub Hub, TaskRabbit), does your state source amounts paid for deliveries/errands to a customer in your state by the customer's billing address? (If your state does not tax digital goods such delivery or errand services, respond "not applicable.")	No Response		No	86 Ill. Adm. Code 131.155(b).

<p>11c. For delivery or errand services that are arranged by a third party-vendor (e.g., Postmates, Grub Hub, TaskRabbit), does your state source amounts paid for deliveries to a customer in your state by the location where the digital goods are used? (If your state does not tax such delivery or errand services, respond "not applicable.")</p>	<p>No Response</p>		<p>Not Applicable</p>	
<p>11d. For delivery or errand services that are arranged by a third party-vendor (e.g., Postmates, Grub Hub, TaskRabbit), does your state source amounts paid for deliveries/errands to a customer in your state by a customer in your state using a different method than those described above? (If your state does not tax such delivery or errand services, respond "not applicable.") (If "yes," explain in the comment to this question.)</p>	<p>No Response</p>		<p>Not Applicable</p>	
<p><b>Comment applicable to all questions in Section I.F.</b></p>				
<p><b>2021 Comment:</b></p>		<p><b>2022 Comment:</b></p>		
<p>IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).</p>				

G. Marketplace Facilitators	2021 Response	2021 Comment	2022 Response	2022 Comment
1. Is a marketplace facilitator required to collect sales tax on sales made over its platform by a marketplace facilitator if the marketplace facilitator has nexus with your state?	No Response		Yes	
2. Is a marketplace facilitator required to collect sales tax on sales made over its platform by an marketplace seller if the marketplace facilitator facilitates sales that meet or exceed your state's economic nexus threshold, but the marketplace seller does not meet or exceed this threshold?	No Response		Yes	86 Ill. Adm. Code 131.135.
3. If the answer to questions 1 or 2 is "yes," may marketplace sellers elect to collect sales tax on their sales made using marketplace platforms, rather than having the tax collected by the marketplace facilitator?	No Response		No	
4a. If a marketplace facilitator's obligation to collect and remit sales tax on marketplace sales depends on meeting or exceeding your state's economic nexus threshold, is the threshold calculated based only on sales facilitated on behalf of marketplace sellers?(If your state does not have an economic nexus threshold, respond "not applicable.")	No Response		No	The marketplace facilitators sales are also included in determining the threshold. See 86 Ill. Adm Code 131.135(a).
4b. If a marketplace facilitator's obligation to collect and remit sales tax on marketplace sales depends on meeting or exceeding your state's economic nexus threshold, is the threshold calculated based on both sales facilitated on behalf of marketplace sellers and sales made by the marketplace facilitator directly? (If your state does not have an economic nexus threshold, respond "not applicable.")	No Response		Yes	86 Ill. Admn. Code 131.135(a).
4c. If a marketplace facilitator's obligation to collect and remit sales tax on marketplace sales depends on meeting or exceeding your state's economic nexus threshold, is the threshold calculated based on only sales made directly by the marketplace facilitator? (If your state does not have an economic nexus threshold, respond "not applicable.")	No Response		No	The threshold is determined by sales made through the marketplace by the marketplace facilitator and by marketplace sellers. 86 Ill. Admn. Code 131.135(a).
4d. If a marketplace facilitator's obligation to collect and remit sales tax on marketplace sales depends on meeting or exceeding your state's economic nexus threshold, is the threshold calculated based on a method other than those described above? (If your state does not have an economic nexus threshold, respond "not applicable.") (If "yes," explain in the comment to this question.)	No Response		No	
5. Does your state include payment processors, advertisers, and similar entities in its definition of "marketplace facilitator"?	No Response		Yes	86 Ill .Adm. Code 131.105
6a. If a marketplace facilitator is required to collect and remit sales tax for all sales they facilitate that are delivered into your state, is the marketplace seller relieved of liability for the tax?	No Response		Yes	Requires certification from marketplace facilitator that it is legally responsible for payment of tax on marketplace sales. 86 Ill. Adm. Code 131.145
6b. If the answer to question 6a is "yes," is there any situation that would shift the liability back to the marketplace seller? (If "yes," explain in the comment to this question.)	No Response		Yes	If incorrect information is provided to the marketplace facilitator by the remote retailer. 86 Ill. Adm. Code 131.125(f).

7. If marketplace facilitators are required to collect and remit sales tax on behalf of sellers using their platforms, are the facilitators required to provide an exemption certificate or any other documentation to the sellers to substantiate that tax was collected?	No Response		No	86 Ill. Adm. Code 131.145(f).
8. If marketplace facilitators are required to collect and remit sales tax on behalf of sellers using their platforms, are the marketplace sellers required to register with your state for sales tax purposes? (If "yes," explain in the comment to this question.)	No Response		No	
9. If marketplace facilitators are required to collect and remit sales tax on behalf of sellers using their platforms, are there any registration, reporting, or other administrative obligations imposed on the marketplace sellers? (If "yes," explain in the comment to this question.)	No Response		Yes	A marketplace seller shall maintain books and records for all sales made through a marketplace in accordance with Section 7 of ROTA. 35 ILCS 120/2(e).
<b>Comment applicable to all questions in Section I.G.</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).				

## Section II. Sales Tax Nexus Creating Activities

State “yes” or “no” to show whether each of the following activities or relationships performed by an out-of-state corporation would, by itself, create substantial nexus with your state for purposes of triggering the imposition of sales tax collection requirements on the out-of-state corporation. When determining whether the listed activity/relationship would create substantial nexus, assume that each item is the only activity/relationship the out-of-state corporation has in your state and that the out-of-state corporation has no property or employees located in your state. **Also assume that the out-of-state retailer has NOT met or exceed any economic nexus thresholds in place.**

A “yes” response means that an out-of-state retailer’s performance of the listed activity/relationship would, by itself, create substantial nexus and trigger the imposition of sales tax collection requirements on the out-of-state retailer. A “no” response means that an out-of-state retailer’s performance of the listed activity/relationship would not, by itself, trigger nexus for purposes of your state’s sales tax.

For the questions that you believe require more than a “yes” or “no” answer, set forth in the comment section the factors that your state would consider in making a nexus determination.

A. General Activities	2021 Response	2021 Comment	2022 Response	2022 Comment
1. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and reimburses its in-state salespersons for the costs of maintaining an in-home office.	No Response		Yes	
2. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and maintains a bank account in your state.	No Response		No	
3. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and maintains a post office box in your state.	No Response		No	
4. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and uses local phone numbers in your state, which are forwarded to its headquarters in another state.	No Response		No	
5. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and makes sales to customers in your state by means of an 800 telephone order number and advertises in your state.	No Response		No	
6. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and stores inventory in your state.	No Response		Yes	
7. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and at least one employee telecommutes from a home located in your state and performs back-office administrative business functions, such as payroll, accounting, or IT assistance, as opposed to direct customer service or other activities directly related to the employer's commercial business activities.	No Response		Yes	

8. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and delivers merchandise to customers in your state in company-owned vehicles or by means other than common carrier or the U.S. Postal Service.	No Response		Yes	
9. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and delivers merchandise to customers in your state in returnable containers.	No Response		Yes	Assumes the retailer maintains ownership of the containers.
<b>Comment applicable to all questions in Section II.A</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).				

B. Remote Sales Exceeding Economic Nexus Thresholds	2021 Response	2021 Comment	2022 Response	2022 Comment
1. The out-of-state retailer makes annual sales into your state totaling less than \$100,000. (If yes, please state your state's threshold amount in the comment to this question.)	No Response		No	
2. The out-of-state retailer makes annual sales into your state totaling \$100,000 or more. (If yes, please state your state's threshold amount in the comment to this question.)	No Response		Yes	86 Ill. Adm. Code 131.115
3. The out-of-state retailer makes 1 to 199 separate sales into your state. (If yes, please state your state's threshold amount in the comment to this question.)	No Response		No	
4. The out-of-state retailer makes 200 or more separate sales into your state. (If yes, please state your state's threshold amount in the comment to this question.)	No Response		Yes	86 Ill. Adm. Code 131.115
<b>Comment applicable to all questions in Section II.B</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).				

C. Temporary or Sporadic Presence	2021 Response	2021 Comment	2022 Response	2022 Comment
1a. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and attends or participates in trade shows held in your state, and makes no sales and takes no orders at the trade show.	No Response		Yes	Unless the safe harbor provision is met. 86 Ill. Adm. Code 150.802.
1b. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and attends or participates in trade shows held in your state, and makes sales and/or accepts orders at the trade show.	No Response		Yes	Unless the safe harbor provision is met. 86 Ill. Adm. Code 150.802.
1c. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and attends or participates in trade shows held in your state, and limits trade show activities in the state to one to five days annually.	No Response		No Response	
2. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and sells tangible personal property while temporarily located in your state for up to three days.	No Response		No Response	
3. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and has employees or representatives occasionally enter the state to meet with in-state suppliers of goods or services.	No Response		No Response	
4. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and makes remote sales of tangible personal property to state residents and holds two or more one-day seminars in the state.	No Response		No Response	
5. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and makes remote sales of tangible personal property to state residents, holds two or more one-day seminars in the state, and has its employees visit the state five times during the year.	No Response		No Response	
6. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and enters your state solely for purposes of conducting disaster relief operations.	No Response		No Response	
<b>Comment applicable to all questions in Section II.C</b>				
<b>2021 Comment:</b>			<b>2022 Comment:</b>	
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).			Trade Show Appearances, 86 Ill. Adm. Code 150.802, see also 86 Ill. Adm. Code 131.105, 150.201; 150.801. <i>Brown's Furniture v. Wagner</i> , 171 Ill. 2d 410 (1996).	



D. Activities of Unrelated Parties	2021 Response	2021 Comment	2022 Response	2022 Comment
1. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and hires independent contractors to perform warranty or repair services on tangible personal property located in your state.	No Response		Yes	
2. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and hires an unaffiliated printer in the state and stores raw materials or finished goods at the in-state printer's plant.	No Response		No	35 ILCS 105/2
3. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and hires an unrelated call center or fulfillment center located in your state to process telephone and electronic orders that primarily derive from out-of-state customers.	No Response		Yes	
4. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and enters into an advertising contract, <b>including for producing an infomercial</b> , with a <b>local television station</b> , cable station, radio station, print publication or electronic publication that is located in your state.	No Response		Yes	
5. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and produces an infomercial that runs on an in-state television channel and pays commissions to the local TV station based on a percentage of sales to in-state consumers who made purchases using the phone number or website address displayed on the "infomercial."	No Response		Yes	
6. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and collects delinquent accounts using a collection agency in your state or hires attorneys or other third parties to file collection suits in courts in your state.	No Response		Yes	
7. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and stores and ships items from an unrelated distribution center located in your state.	No Response		Yes	
<b>Comment applicable to all questions in Section II.D</b>				
<b>2021 Comment:</b>			<b>2022 Comment:</b>	
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).			86 Ill. Adm. Code 150.201	

<b>E. Financial Activities</b>	<b>2021 Response</b>	<b>2021 Comment</b>	<b>2022 Response</b>	<b>2022 Comment</b>
1. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and issues credit cards to customers who reside in your state.	No Response		No Response	
2. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and owns an interest in an investment partnership or LLC that has operations in your state.	No Response		No Response	
3. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and owns a general interest in a partnership that is doing business in your state.	No Response		No Response	
4. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and owns a limited interest in a partnership that is doing business in your state.	No Response		No Response	
5. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and owns an interest in an LLC that is doing business in your state and is involved in managing the LLC.	No Response		No Response	
6. The out-of-state retailer sells tangible personal property to residents in your state from outside the state (e.g., by telephone, over the internet, via catalog/direct mail, or otherwise) and owns an interest in an LLC that is doing business in your state, but is not the managing member or otherwise involved in managing the LLC.	No Response		No Response	
<b>Comment applicable to all questions in Section II.E</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		35 ILCS 105/2		

F. Activities with Affiliates	2021 Response	2021 Comment	2022 Response	2022 Comment
1. The out-of-state retailer makes remote sales to residents of your state and owns less than 5 percent of an in-state affiliate that shares the out-of-state corporation's logo.	No Response		No Response	
2. The out-of-state retailer makes remote sales to residents of your state and owns 5 percent or more of an in-state affiliate that shares the out-of-state corporation's logo.	No Response		No Response	
3. The out-of-state retailer makes remote sales to residents of your state and accepts returned items or exchanges items that were purchased from an affiliate's in-state stores.	No Response		Yes	
4. The out-of-state retailer makes remote sales to residents of your state and is part of a controlled group with an affiliated entity that is physically located in your state.	No Response		No Response	
<b>Comment applicable to all questions in Section II.F</b>				
<b>2021 Comment:</b>			<b>2022 Comment:</b>	
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).			35 ILCS 105/2, See 86 Ill. Adm. Code 131.105, 150.201; 150.801.	

G. Internet Activities	2021 Response	2021 Comment	2022 Response	2022 Comment
1a. The out-of-state retailer uses an Internet link or enters into an affiliation linking arrangement with a third party that is located in your state.	No Response		No Response	
1b. The out-of-state retailer uses an Internet link or enters into an affiliation linking arrangement with a third party that maintains a website on a server that is located in your state.	No Response		No Response	
2. The out-of-state retailer makes remote sales of tangible personal property to residents in your state from outside the state via a website and enters into an agreement with residents of your state in which the out-of-state retailer pays commissions or fees for referrals to the out-of-state retailer's website. Assume the annual gross receipts from sales attributable to the arrangements total LESS THAN \$10,000.	No Response		No Response	
3. The out-of-state retailer makes remote sales of tangible personal property to residents of your state outside the state via a website and enters into an agreement with residents of your state in which the out-of-state retailer pays commissions or fees for referrals to the out-of-state retailer's website. Assume the out-of-state retailer's annual gross receipts from the sales attributable to the arrangements total AT LEAST \$10,000.	No Response		No Response	
4. The out-of-state retailer is an Internet-based retailer with an out-of-state home office and enters into an agreement with an in-state operator of a website. The website operator hosts advertisements directing consumers to the website of the out-of-state retailer, and is paid each time the advertisement is displayed (per impression).	No Response		No Response	
5. The out-of-state retailer is an Internet-based retailer with an out-of-state home office and enters into an agreement with an in-state operator of a website. The website operator hosts advertisements directing consumers to the website of the out-of-state retailer, and is paid when a consumer clicks on the advertisement and buys a product from the out-of-state retailer (per conversion).	No Response		No Response	
6a. The out-of-state retailer makes remote sales of tangible personal property in your state and owns an Internet server located in your state.	No Response		No Response	
6b. The out-of-state retailer makes remote sales of tangible personal property in your state and owns an Internet server located in your state and hires third-party technicians located in your state to keep the server functioning.	No Response		No Response	
6c. The out-of-state retailer makes remote sales of tangible personal property in your state and leases a third-party's Internet server located in your state. Assume that the server is used exclusively by the out-of-state retailer.	No Response		No Response	
6d. The out-of-state retailer makes remote sales of tangible personal property in your state and leases space on a third-party's Internet server located in your state. Assume that space on the third-party's server is also leased to several other unrelated businesses.	No Response		No Response	

6e. The out-of-state retailer makes remote sales of tangible personal property in your state and leases space on a third-party's network of Internet servers, some of which are located in your state. Assume that the out-of-state retailer's data is on the third-party's Internet server in your state for less than six months during the year.	No Response		No Response	
6f. The out-of-state retailer makes remote sales of tangible personal property in your state and leases space on a third-party's network of Internet servers, some of which are located in your state. Assume that the out-of-state retailer's data is on the third-party's Internet server for more than six months during the year.	No Response		No Response	
6g. The out-of-state retailer makes remote sales of tangible personal property in your state and does not own or lease property in your state, but pays a web-hosting provider with a server located in your state to provide the out-of-state retailer web services to sell products over the Internet.	No Response		No Response	
<b>Comment applicable to all questions in Section II.G</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		35 ILCS 105/2, See also 86 Ill. Adm. Code 131.105, 150.201; 150.801.		

H. Activities Related to Digital Property	2021 Response	2021 Comment	2022 Response	2022 Comment
1. The out-of-state retailer makes remote sales of digital content, such as e-books, music, TV shows and movies, that is downloaded by residents of your state.	No Response		No Response	
2. The out-of-state retailer makes remote sales of digital content, such as e-books, music, TV shows and movies, that is accessed electronically, but not downloaded, by residents of your state.	No Response		No Response	
3. The out-of-state retailer electronically provides canned software to residents in your state and then makes remote sales of digital content, such as music and videos, that are downloaded by residents of your state.	No Response		No Response	
4. The out-of-state retailer makes remote sales of canned software to residents in your state and then sends a representative to customize it to meet the customer's specific needs.	No Response		Yes	
5. The out-of-state retailer makes remote sales of customized software in your state.	No Response		No Response	
6. The out-of-state retailer owns licenses to canned software that are purchased by residents of your state.	No Response		No Response	
7. The out-of-state retailer licenses to an in-state consumer permission to use its website for a webinar.	No Response		No Response	
8. The out-of-state retailer sells data, such as music files, to residents in your state, and the data is stored on a server located in your state.	No Response		No Response	
9. The out-of-state retailer sells remote access to canned software to customers located in your state.	No Response		No Response	
10. The out-of-state retailer sells digital magazine or newspaper subscriptions from a remote Internet platform to an in-state user who downloads the material in your state.	No Response		No Response	
11. The out-of-state retailer makes remote sales of appliances equipped with control devices from which an in-state user can control the appliance via a remote Internet platform.	No Response		No Response	
12. The out-of-state retailer requires visitors to its website to download internet cookies, or other similar items, onto computers or other electronic devices located in your state.	No Response		No Response	
<b>Comment applicable to all questions in Section II.H</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		See 86 Ill. Adm. Code 130.2105(a); Illinois General Information Letter ST 21-GC-0001 (01/15/2021).		

<b>I. Distribution and Delivery</b>	<b>2021 Response</b>	<b>2021 Comment</b>	<b>2022 Response</b>	<b>2022 Comment</b>
1. The out-of-state retailer makes remote sales into your state and picks up defective products or scrap materials in your state in company-owned vehicles.	No Response		Yes	
2. The out-of-state retailer makes remote sales into your state and picks up raw materials in your state in company-owned vehicles.	No Response		Yes	
3. The out-of-state retailer makes remote sales into your state and travels to or through your state one to six times per year in company-owned trucks, but does not pick up or deliver goods in your state.	No Response		No Response	
4. The out-of-state retailer makes remote sales into your state and travels to or through your state more than six times, but no more than 12 times, per year in taxpayer-owned trucks, but does not pick up or deliver goods in your state.	No Response		No Response	
5. The out-of-state retailer makes remote sales into your state and travels to or through your state more than 12 times per year in taxpayer-owned trucks, but does not pick up or deliver goods in your state.	No Response		No Response	
6. The out-of-state retailer makes remote sales into your state and "back hauls" (i.e., picks up shipments at the destination or nearby location for delivery to another point) in corporate-owned trucks.	No Response		Yes	
7. The out-of-state retailer makes remote sales into your state and holds title to electricity flowing through a transmission wire within your state (the transmission neither originates nor terminates in your state).	No Response		No	
8. The out-of-state retailer makes remote sales into your state and holds title to natural gas flowing through a pipeline within your state (the natural gas neither originates nor terminates in your state).	No Response		No	
9. The out-of-state retailer makes remote sales into your state and delivers goods into your state via contract carrier.	No Response		No Response	
<b>Comment applicable to all questions in Section II.I</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		See 86 Ill. Adm. Code 131.105; 150.201; 150.810.		

<b>J. Third-Party Solicitation Activities and Attributional Nexus</b>	<b>2021 Response</b>	<b>2021 Comment</b>	<b>2022 Response</b>	<b>2022 Comment</b>
1. The out-of-state retailer makes remote sales into your state and hires a third party to distribute flyers, coupons, and other printed promotional materials.	No Response		No Response	
2. The out-of-state retailer makes remote sales into your state and hires a third party to distribute electronic equivalents of flyers, coupons and other printed promotional materials via e-mail or other electronic means.	No Response		No Response	
3. The out-of-state retailer makes remote sales into your state and hires a third party to solicit sales in-person.	No Response		Yes	
4. The out-of-state retailer makes remote sales into your state and hires a third party to solicit sales by telephone.	No Response		No Response	
5. The out-of-state retailer makes remote sales into your state and hires a third party to demonstrate a product in person.	No Response		No Response	
6. The out-of-state retailer makes remote sales into your state and hires a third party to negotiate prices to buy.	No Response		No Response	
7. The out-of-state retailer makes remote sales into your state and hires a third party to negotiate prices to sell.	No Response		No Response	
8. The out-of-state retailer makes remote sales into your state and hires a third party to refer a customer via website or blog click through in exchange for a percentage of the sale.	No Response		No Response	
9. The out-of-state retailer makes remote sales into your state and hires a third party to advertise a product on an in-state website or blog, but with no click through to buy.	No Response		No Response	
10. The out-of-state retailer makes remote sales into your state and hires a third party to post informational content on in-state websites or blogs.	No Response		No Response	
11. The out-of-state retailer makes remote sales into your state and hires a third party to employ search engine optimization techniques, such as generating targeted advertisements based on specific searches.	No Response		No Response	
<b>Comment applicable to all questions in Section II.J</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		35 ILCS 105/2.		



<b>K. Transactions Involving Franchise Agreements</b>	<b>2021 Response</b>	<b>2021 Comment</b>	<b>2022 Response</b>	<b>2022 Comment</b>
1. The out-of-state retailer licenses intangible property to an in-state franchisee and the out-of-state retailer owns only intangible property such as trademarks in your state.	No Response		No Response	
2. The out-of-state retailer licenses intangible property to an in-state franchisee and the out-of-state retailer makes one inspection visit to the franchisee's location per year.	No Response		No Response	
3. The out-of-state retailer licenses intangible property to an in-state franchisee and the out-of-state retailer makes two to six inspection visits to the franchisee's location per year.	No Response		No Response	
4. The out-of-state retailer licenses intangible property to an in-state franchisee and the out-of-state retailer makes more than six inspection visits to the franchisee's location per year.	No Response		No Response	
5. The out-of-state retailer licenses intangible property to an in-state franchisee and the out-of-state retailer leases machinery and equipment worth \$20,000 to the franchisee.	No Response		Yes	See 86 Ill. Adm. Code 130.2010.
6. The out-of-state retailer licenses intangible property to an in-state franchisee and the out-of-state retailer leases machinery and equipment worth \$100,000 to the franchisee.	No Response		Yes	See 86 Ill. Adm. Code 130.2010.
7. The out-of-state retailer licenses intangible property to an in-state franchisee and the out-of-state retailer maintains and repairs the franchisee's equipment in your state.	No Response		Yes	See 86 Ill. Adm. Code 140.101, for application of the Service Occupation Tax.
<b>Comment applicable to all questions in Section II.K</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).				

<b>L. Service Providers</b>	<b>2021 Response</b>	<b>2021 Comment</b>	<b>2022 Response</b>	<b>2022 Comment</b>
1. The out-of-state retailer repairs tangible personal property in another state and delivers it by common carrier to an in-state customer (assume the repair services are taxable in your state).	No Response		No Response	
2. The out-of-state retailer provides a taxable service to an in-state customer in which no part of the service, including the tangible personal property that is incidental to the performance of the taxable service, is physically transferred to the in-state customer.	No Response		No Response	
3. The out-of-state retailer provides a taxable service to an in-state customer in which tangible personal property that is incidental to the performance of the service is physically transferred (i.e., by common carrier) to the in-state customer.	No Response		No response	

4. The out-of-state retailer transfers documents that are incidental to the performance of a taxable service to an in-state customer by electronic means only.	No Response		No	
5. The out-of-state retailer has employees that regularly (e.g., 12 or more times per year) enter the state to deliver to in-state customers tangible personal property that is incidental to the performance of a taxable service.	No Response		No Response	
6. The out-of-state retailer has employees occasionally (e.g., one to 11 times per year) enter the state to deliver to an in-state customer tangible personal property that is incidental to the performance of a taxable service.	No Response		No Response	
7. The out-of-state retailer uses a third party in your state to store tangible personal property that is transferred by the retailer to in-state customers as an incidental part of the performance of a taxable service.	No Response		Yes	
<b>Comment applicable to all questions in Section I.L.L</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		35 ILCS 115/2 See 86 Ill. Adm. Code 140.101(a); 140.125.		

<b>M. Cloud Computing</b>	<b>2021 Response</b>	<b>2021 Comment</b>	<b>2022 Response</b>	<b>2022 Comment</b>
1. The out-of-state retailer charges fees to in-state customers for the right to access non-downloadable prewritten software that is hosted on a server in another state.	No Response		No Response	
2. The out-of-state retailer charges fees to in-state customers for the right to access non-downloadable prewritten software that is hosted on a server in another state and remotely performs a taxable service in your state.	No Response		No Response	
3. The out-of-state retailer sends an employee to your state to perform an initial setup and then charges fees to in-state customers for the right to access non-downloadable prewritten software that is hosted on a server in another state.	No Response		No Response	
4. The out-of-state retailer hires an independent contractor in your state to provide training to in-state customers and charges fees to in-state customers for the right to access non-downloadable prewritten software that is hosted on a server in another state.	No Response		No Response	
5. The out-of-state retailer charges fees to in-state customers for the right to access non-downloadable prewritten software that is hosted on a server in another state and occasionally (e.g., one to 11 times per year) has employees meet with customers in your state.	No Response		No Response	
6. The out-of-state retailer charges fees to in-state customers for the right to access non-downloadable prewritten software that is hosted on a server in another state and regularly (e.g., 12 or more times per year) has employees meet with customers in your state.	No Response		No Response	
7. The out-of-state retailer charges fees to in-state customers for the right to access information on its website that is hosted on a server in another state.	No Response		No Response	
8. The out-of-state retailer charges fees to in-state customers for the right to access information on its website that is hosted on a server in another state and remotely performs a taxable service in your state.	No Response		No Response	
9. The out-of-state retailer sends an employee in your state to perform an initial set up and then charges fees to in-state customers for the right to access information on its website that is hosted on a server in another state.	No Response		No Response	
10. The out-of-state retailer hires an independent contractor in your state to provide training to in-state customers and then charges fees for the right to access information on its website that is hosted on a server in another state.	No Response		No Response	
11. The out-of-state retailer charges fees to in-state customers for the right to access information on its website that is hosted on a server in another state and occasionally (e.g., one to 11 times per year) has employees meet with customers in your state.	No Response		No Response	

12. The out-of-state retailer charges fees to in-state customers for the right to access information on its website that is hosted on a server in another state and regularly (e.g., 12 or more times per year) has employees meet with customers in your state.	No Response		No Response	
<b>Comment applicable to all questions in Section II.M</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		See 86 Ill. Adm. Code 130.1935; 150.201; Illinois Private Ruling Letter ST 17-0006 (08/14/2017).		

N. Registration with State Agencies/Departments	2021 Response	2021 Comment	2022 Response	2022 Comment
1. The out-of-state retailer is registered, authorized, certified or qualified by the Secretary of State, or other similar agency, to transact business in your state as a foreign corporation.	No Response		No Response	
2. The out-of-state retailer holds a general business license issued by your state.	No Response		No Response	
3. The out-of-state retailer holds a specialty license issued by your state, such as a specialty insurance license.	No Response		No Response	
4. The out-of-state retailer is registered with your state's tax department for payroll tax purposes.	No Response		No Response	
5. The out-of-state retailer is registered with the state agency or department that regulates or administers workers' compensation.	No Response		No Response	
6. The out-of-state retailer is registered with your state as a government vendor or contractor.	No Response		No Response	
<b>Comment applicable to all questions in Section II.N</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		See 86 Ill. Adm. Code 150.201.		

<b>O. Drop Shipment Transactions</b>	<b>2021 Response</b>	<b>2021 Comment</b>	<b>2022 Response</b>	<b>2022 Comment</b>
1a. The out-of-state retailer is a manufacturer that ships tangible personal property via common carrier to in-state customers based on orders received from a distributor, and the distributor has nexus with your state.	No Response		No Response	
1b. The out-of-state retailer is a manufacturer that ships tangible personal property via common carrier to in-state customers based on orders received from a distributor, and the distributor does not have nexus with your state.	No Response		No Response	
2a. The out-of-state retailer is a distributor that uses an in-state manufacturer, who acts as a fulfillment agent in your state, to pack and ship orders via common carrier to in-state customers, and the manufacturer holds title to the inventory until the retailer directs the manufacturer to ship the order.	No Response		No Response	
2b. The out-of-state retailer is a distributor that uses an in-state manufacturer, who acts as a fulfillment agent in your state, to pack and ship orders via common carrier to in-state customers, and the retailer holds title to the inventory until the retailer directs the manufacturer to ship the order.	No Response		Yes	
3a. The out-of-state retailer is a distributor that contracts with an in-state manufacturer to perform an order fulfillment service on the retailer's behalf in which the manufacturer accepts phone and mail orders addressed to the retailer, processes payments made payable to the retailer and packages and ships inventory via common carrier to the retailer's customers, and the manufacturer holds title to the inventory prior to shipment.	No Response		Yes	
3b. The out-of-state retailer is a distributor that contracts with an in-state manufacturer to perform an order fulfillment service on the retailer's behalf in which the manufacturer accepts phone and mail orders addressed to the retailer, processes payments made payable to the retailer and packages and ships inventory via common carrier to the retailer's customers, and the retailer holds title to the inventory prior to shipment.	No Response		Yes	
4a. The out-of-state retailer is a distributor that contracts with an in-state manufacturer to accept and process product returns on the retailer's behalf, including evaluating products for defects, crediting the customer and maintaining the product inventory, and the retailer charges product return inventory back to the manufacturer such that the manufacturer owns the returned inventory.	No Response		Yes	
4b. The out-of-state retailer is a distributor that contracts with an in-state manufacturer to accept and process product returns on the retailer's behalf, including evaluating products for defects, crediting the customer and maintaining the product inventory, and the retailer retains ownership of the product return inventory.	No Response		Yes	
<b>Comment applicable to all questions in Section II.O</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		35 ILCS 105/2 et seq; 86 Ill. Adm. Code 130.225.		

<b>Section III. Refund Claims</b>				
<b>A. Refund Claims</b>	<b>2021 Response</b>	<b>2021 Comment</b>	<b>2022 Response</b>	<b>2022 Comment</b>
1. Your state requires vendors who seek refunds of tax collected and remitted to refund the tax recovered to their purchasers who incurred the refunded tax.	No Response		Yes	
2. Your state requires vendors who seek refunds of tax collected and remitted to establish a liability to refund the tax recovered their purchasers who incurred the tax, i.e. through the issuance of a conditional promissory note and then refund the tax recovered in satisfaction of the issued promissory notes. (The promissory note must be conditioned on recovery of tax from the Department in the event the Department denies the refund.)	No Response		No	Need unconditional promissory note.
3. Your state permits purchasers to seek sales tax refunds directly from the state for over-collected tax remitted by their vendors.	No Response		No	
<b>Comment applicable to all questions in Section III.A</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
IL: See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).		See 86 Ill. Adm. 130.1501		

### Section IV. Voluntary Disclosure Agreements

A. Voluntary Disclosure Agreements	2021 Response	2021 Comment	2022 Response	2022 Comment
1. Does your state currently offer a voluntary disclosure program?	NEW	NEW	Yes	
2. If your state does not currently offer a voluntary disclosure program, has it done so in the past?	NEW	NEW	Not Applicable	
3. Would issues missed on an audit qualify for inclusion in your state's voluntary disclosure program?	NEW	NEW	No	
4. Does your state allow taxpayers to obtain longer retrospective periods than the standard period provided by the voluntary disclosure program? (If yes, please explain how a taxpayer can request a longer period in the comment box for this question.)	NEW	NEW	No Response	
5. Would the following prior contact from your state's revenue or tax department (or similar) disqualify a taxpayer from participating in your state's voluntary disclosure program: obtaining a nexus survey from your department?	NEW	NEW	No Response	
6. Would the following prior contact from your state's revenue or tax department (or similar) disqualify a taxpayer from participating in your state's voluntary disclosure program: receiving a question from an outsourced contractor regarding potential liability for a specific tax or for unclaimed property?	NEW	NEW	No Response	
7. Would the following prior contact from your state's revenue or tax department (or similar) disqualify a taxpayer from participating in your state's voluntary disclosure program: receiving a use tax question generated by the audit of a seller from which the taxpayer purchased something?	NEW	NEW	No Response	
<b>Comment applicable to all questions in Section IV.A</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
NEW		See Ill. Adm. Code 210.126.		

### Section V. Local Sales Taxes

A. Local Sales Taxes	2021 Response	2021 Comment	2022 Response	2022 Comment
1. Do local jurisdictions in your state impose their own sales tax? (If no, respond "not applicable" to questions 2 through 9.)	No Response		Yes	
2. Are local sales taxes administered by your state?	No Response		Yes	Depends on the local tax.
3. Are local sales taxes administered by the locality?	No Response		Yes	Depends on the local tax.
4. Are local sales taxes administered by both the state and the locality?	No Response		Yes	Depends on the local tax. For example, Chicago administers its own Use Tax.
5. Are local sales tax jurisdictions required to follow the same nexus standards used for state sales tax purposes?	No Response		No Response	

6. Are local sales tax jurisdictions required to follow the same definitions of products and services used for state sales tax purposes?	No Response		No Response	
7. Are local sales tax audits conducted by your state?	No Response		Yes	Depends on the local tax.
8. If an out-of-state retailer establishes nexus with your state, does it automatically establish nexus with every local taxing jurisdiction within your state?	No Response		No Response	
9. If an out-of-state retailer establishes nexus with one local jurisdiction within your state, does it automatically establish nexus with every local taxing jurisdiction within your state?	No Response		No Response	
<b>Comment applicable to all questions in Section V.A</b>				
<b>2021 Comment:</b>		<b>2022 Comment:</b>		
<p>IL: Local retailers' occupation taxes imposed by local governments and that are administered by the Department follow the same rules for exemptions, credits, and other administrative procedures as the State Retailers' Occupation Tax. For a list of local taxes administered by the Department, see Publication ST-2. The Department released a Compliance Alert in February 2021 that discusses taxes that are not administered by the Department that marketplace facilitators are liable for collecting and remitting to local jurisdictions. The Compliance Alert can be found on the Department's website. See Ill. Dept. of Rev., Illinois General Information Letter 21-GC-0001 (Feb 4, 2021).</p>		<p>Local retailers' occupation taxes that are administered by the Department are subject to the same applicable definitions, deductions, exemptions, credits and administrative procedures. See also 86 Ill. Adm. Code 220.215, 230.115, 270.115, 280.115, 320.115, 330.115, 370.115, 380.115, 395.115; 396.115.</p>		