ST-23-0017-GIL 05/31/2023 MISCELLANEOUS

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

May 31, 2023

NAME
COMPANY
ADDRESS

Dear NAME:

This letter is in response to your letter dated December 27, 2022, 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 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 hope all is well and that you are enjoying the holiday season! I am writing to ask you to complete the questionnaire for the **2023 COMPANY Survey of State Tax Departments** on behalf of your state. Your responses will provide useful guidance for taxpayers in complying with your state's laws.
>
> Attached are two Excel spreadsheets containing the corporate income tax and sales tax questions for 2023. If your state participated last year, there are two columns which include your responses and comments from 2022. The adjacent columns are there for you to record your responses and comments for this year, 2023. To avoid any errors, please fill out the 2023 column even if the answer has not changed from 2022.
>
> If you are adding or revising question specific comments, please use the 2023 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 2023 comment box at the end of the category. If you would like to add or change information you have previously

recorded in the comments section last year, 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 questionnaires should be completed based on state law as of January 1, 2023.

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 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 questionnaires to us by Feb. 28, 2023. Your completed Excel spreadsheets should be e-mailed back to me at ADDRESS2.

Your responses, along with the responses we receive from other states, will be published by COMPANY, a leading publisher of international, federal, and state tax analysis. More information about COMPANY can be found at ADDRESS3 and a copy of last year’s state survey report can be found at ADDRESS4.

If you have any questions about this or if there is any way I can help you to complete this year’s questionnaire, please let me know.

I look forward to working with you.

Thank you,

DEPARTMENT’S RESPONSE:

Please see the 2023 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 or contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

Tom Grudichak
Associate Counsel

TG:dlb

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	**2022 Response**	**2023 Response**
1. Statute(s) addressing sales tax nexus:	35 ILCS 105/2, 35 ILCS 105/2d, 35 ILCS 120/2	IL: 35 ILCS 105/2, 35 ILCS 105/2d, 35 ILCS 120/2
2. Regulation(s) addressing sales tax nexus:	86 Ill. Adm. Code 131.101 et seq.	IL: 86 Ill. Adm. Code 131.101 et seq., 86 Ill. Adm. Code 150.201.
3. Administrative pronouncement(s) addressing sales tax nexus:	No Response	IL: e.g.: Illinois Dept. of Rev. Info. Bulletin No. FY 2022-04 (October 2021)
4. Judicial decision(s) addressing sales tax nexus:	South Dakota v. Wayfair; Brown's Furniture v. Wagner, 171 Ill. 2d 410 (1996).	IL: South Dakota v. Wayfair 138 S.Ct. 2080 (2018); Scripto, Inc. v. Carson, 362 U.S. 207 (1960); Complete Auto Transit, Inc. v. Brady, 430 U.S. 274 (1977); Brown's Furniture v. Wagner, 171 Ill. 2d 410 (1996).

B. Application of Nexus Standards	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Your state's sales tax nexus policy is based only on physical presence.	No		No	
2. Your state's sales tax nexus policy is based only 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		No	
3. Your state's sales tax nexus policy is based on **both** 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.)	Yes	IL: (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).	Yes	IL: (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.	
2022 Comment:	**2023 Comment:**
IL: See 35 ILCS 120/2-(b) and (c); Ill. Dept. of Rev., Informational Bulletin FY 2022-04 (October 2021).	IL: See 86 Ill. Adm. Code 131.115 and 131.135. Ill. Dept. of Rev., Informational Bulletin FY 2022-04 (October 2021).

C. Economic Nexus: Sales Threshold	2022 Response	2022 Comment	2023 Response	2023 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."				
1. a. Your state calculates whether or not the economic nexus threshold has been met based on sales made in the current calendar year.	No		No	
1. b. Your state calculates whether or not the economic nexus threshold has been met based on sales made in the previous calendar year.	No		No	
1. c. 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		No	
1. d. Your state calculates whether or not the economic nexus threshold has been met based on sales made in the immediately preceding four quarters.	Yes	IL: 35 ILCS 120/2(b) and (c).	Yes	IL: 35 ILCS 120/2(b) and (c).
1. e. 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		No	
2. a. Your state includes 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	IL: 86 Ill. Adm. Code 131.120(b)(1).	No	IL: 86 Ill. Adm. Code 131.120(b)(1).
2. b. Your state includes 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).	Yes	IL: 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.	Yes	IL: 86 Ill. Adm. Code 131.110(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. Sales of qualified medical products are taxed at a reduced rate. See 86 Ill. Adm. Code 130.311.
2. c. Your state includes 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	IL: 35 ILCS 110/2 "Serviceman maintaining a place of business in this State."	Not Applicable	IL: 35 ILCS 110/2 "Serviceman maintaining a place of business in this State."
2. d. Your state includes 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		Not Applicable	
2. e. Your state **includes** 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	IL: See taxation of computer software 86 Ill. Adm. Code 130.1935.	No Response	IL: See taxation of computer software 86 Ill. Adm. Code 130.1935, and 86 Ill. Adm. Code 130.2105 regarding transfers of data downloaded electronically.
2. f. Your state **includes** 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		No	
2. g. Your state **includes** 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		No	
2. h. Your state **includes** 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	IL: Sales are excluded when the marketplace facilitator is considered the retailer. See 86 Ill. Adm. Code 131.120(b)(2).	No	IL: Sales are excluded when the marketplace facilitator is considered the retailer. See 86 Ill. Adm. Code 131.120(b)(2).
2. i. Your state includes 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		No	

Comment applicable to all questions in Section I.C.	
2022 Comment:	**2023 Comment:**
IL: See 35 ILCS 120/2(b) and (c), 35 ILCS 110/2, 86 Ill. Adm. Code 131.105, 131.120(b);131.140(b).	IL: See 35 ILCS 120/2(b), 35 ILCS 110/2, 86 Ill. Adm. Code 131.105, 131.115; 131.120.

D. Nexus Enforcement Policies	2022 Response	2022 Comment	2023 Response	2023 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.	Yes		Yes	
3. Your state requires out-of-state retailers to notify in-state customers of their obligation to pay use tax.	No Response	IL: 86 Ill.Adm Code 150.130; 86 Ill.Adm Code 150.135(d); 86 Ill. Adm. Code150.401(b).	No Response	IL: 86 Ill.Adm Code 150.130; 86 Ill.Adm Code 150.135(d); 86 Ill. Adm. Code150.401(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).	Yes	IL: 86 Ill. Adm. Code 131.115(b); 86 Ill. Adm. Code 131.135(c) and (d).	No Response	
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	IL: 86 Ill. Adm. Code 131.115(d) and (e); 86 Ill. Adm. Code 131.135(c) and (d).	No Response	
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	IL: Id.	No Response	
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.)	Not Applicable		No Response	
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.)	Yes	IL: 86 Ill. Adm. Code 131.115(b).	Yes	IL: Response is for economic nexus. See 86 Ill. Adm. Code 131.115(b), (d), and (e); 86 Ill. Adm. Code 131.135(c) and (d).
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.")	Yes	IL: 86 Ill. Adm. Code 131.115(a).	Yes	IL: 86 Ill. Adm. Code 131.115(a).

Comment applicable to all questions in Section I.D.	
2022 Comment:	**2023 Comment:**
IL: Informational Bulletin FY 2022-04 (October 2021). See also "Level the Playing Field for Illinois Retail Act Resource Page at www.tax.illinois.gov.	IL: Informational Bulletin FY 2022-04 (October 2021). See also "Level the Playing Field for Illinois Retail Act Resource Page at www.tax.illinois.gov. Generally physical nexus ceases at the time any activity which created the nexus creases and the out-of-state retailer files a final return. See 86 Ill. Adm. Code 130.520 and 86 Ill. Adm. Code 131.105.

E. Sales Tax Sourcing and Method of Delivery	2022 Response	2022 Comment	2023 Response	2023 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?	Yes	IL: 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.	Yes	IL: 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.")	Yes	IL: 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.	Yes	IL: For sales by a marketplace facilitator which meets a threshold test. 86 Ill. Adm. Code 131.155. For sales by other retailers see 2023 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	IL: 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.	No	IL: 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. Also see the general comment below.
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	IL: 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.	Yes	IL: Unless 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 2023 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		No Response	IL: See 86 Ill. Adm. Code 140.108 for Illinois Use Tax liability for a de minimis in-State service provider.
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	IL: See also 2022 Comment below.	Yes	IL: See 86 Ill. Adm. Code 230.115, and 86 Ill. Adm Code 280.115.
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		No Response	IL: See 86 Ill. Adm. Code 160.115
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	IL: See also 2022 Comment below.	No	IL: See comments to Question 6.
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	IL: 86 Ill. Adm. Code 130.1935.	No	IL: 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	IL: See Illinois Private Ruling Letter 17-GC-0006 (8/14/2017) for questions 10-11d.	No	IL: See Illinois Private Ruling Letter ST 17-0006-PLR (8/14/2017) for questions 10-11d.
11. a. 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		No	
11. b. 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		No	
11. c. 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		No	
11. d. 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		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.")	Not Applicable		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.")	Not Applicable		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.")	Not Applicable		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.)	Not Applicable		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.")	Not Applicable		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.")	Not Applicable		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.")	Not Applicable		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.)	Not Applicable		Not Applicable	

Comment applicable to all questions in Section I.E.

2022 Comment:	2023 Comment:
IL: 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).	IL: See, e.g., 86 Ill. Adm. Code 270.115. See also 86 Ill. Adm. Code. 280. See also Illinois General Information Letter ST-21-0018-GIL (04/22/2021).

F. Sharing Economy	2022 Response	2022 Comment	2023 Response	2023 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?	Not Applicable		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?	Not Applicable		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		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?	Yes		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?	Not Applicable		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?	Yes	IL: 35 ILCS 120/2; 35 ILCS 155/3;155/4. See also Illinois Private Ruling Letter 22-0002 (2/1/2022).	Yes	IL: See 35 ILCS 120/2; 35 ILCS 155/3;155/4. See also Illinois Private Ruling Letter ST-22-0002-PLR (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?	Yes	IL: If the third party does not qualify as a marketplace facilitator.	Yes	IL: 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?	Yes		Yes	IL: Depends on the purpose of the fee. See 86 Ill. Adm. Code 180.120 and 180.125.
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?	Yes	IL: If third party qualifies as a marketplace facilitator. 35 ILCS 120/2.	Yes	IL: If third party qualifies as a marketplace facilitator. See 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	IL: If the third party does not qualify as a marketplace facilitator, collection of tax is the responsibility of the retailer.	No	IL: 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	IL: 86 Ill. Adm. Code 131.155(b).	No Response	IL: 86 Ill. Adm. Code 131.155(b). See also 35 ILCS 105/2d(a) for definition of marketplace facilitator and marketplace seller.
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	IL: Id.	No	IL: This assumes the third-party vendor meets a tax remittance threshold. See 86 Ill. Adm. Code 131.155(b). See also 35 ILCS 105/2d(a) for definition of marketplace facilitator and marketplace seller.
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.")	Not Applicable		No	
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.)	Not Applicable		No Response	

Comment applicable to all questions in Section I.F.	
2022 Comment:	**2023 Comment:**
Blank for 2022.	Blank for 2023.

G. Marketplace Facilitators	2022 Response	2022 Comment	2023 Response	2023 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?	Yes		Yes	IL: 86 Ill. Adm. Code 131.130(d) and (g).
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?	Yes	IL: 86 Ill. Adm. Code 131.135.	Yes	IL: 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		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	IL: The marketplace facilitators sales are also included in determining the threshold. See 86 Ill. Adm Code 131.135(a).	No	IL: 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.")	Yes	IL: 86 Ill. Admn. Code 131.135(a).	Yes	IL: 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	IL: 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).	No	IL: 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		No	
5. Does your state include payment processers, advertisers, and similar entities in its definition of "marketplace facilitator"?	Yes	IL: 86 Ill .Adm. Code 131.105.	Yes	IL: 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?	Yes	IL: Requires certification from marketplace facilitator that it is legally responsible for payment of tax on marketplace sales. 86 Ill. Adm. Code 131.145.	Yes	IL: 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.)	Yes	IL: If incorrect information is provided to the marketplace facilitator by the remote retailer. 86 Ill. Adm. Code 131.125(f).	Yes	IL: 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	IL: 86 Ill. Adm. Code 131.145(f).	No	IL: 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		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.)	Yes	IL: 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).	Yes	IL: A marketplace seller shall maintain books and records for all sales made through a marketplace. 35 ILCS 120/2(e); 120/7.
10. Does your state require marketplace faciliatotrs to collect taxes other than sales and use taxes on the seller's behalf? (If "yes", please explain in the comment to this question.)	**NEW**	**NEW**	Yes	IL: See 35 ILCS 155/et seq.

Comment applicable to all questions in Section I.G.	
2022 Comment:	**2023 Comment:**
Blank for 2022.	Blank for 2023.

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	2022 Response	2022 Comment	2023 Response	2023 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.	Yes		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		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		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		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		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.	Yes		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.	Yes		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.	Yes		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.	Yes	IL: Assumes the retailer maintains ownership of the containers.	Yes	IL: Assumes the retailer maintains ownership of the containers.

Comment applicable to all questions in Section II.A.	
2022 Comment:	**2023 Comment:**
Blank for 2022.	IL: 35 ILCS 105/2, 35 ILCS 105/2d, 35 ILCS 120/2.

B. Remote Sales Exceeding Economic Nexus Thresholds	2022 Response	2022 Comment	2023 Response	2023 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		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.)	Yes	IL: 86 Ill. Adm. Code 131.115.	Yes	IL: $100,000 or more. 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		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.)	Yes	IL: 86 Ill. Adm. Code 131.115.	Yes	IL: 200 or more. 86 Ill. Adm. Code 131.115.

Comment applicable to all questions in Section II.B.	
2022 Comment:	**2023 Comment:**
Blank for 2022.	Blank for 2023.

C. Temporary or Sporadic Presence	2022 Response	2022 Comment	2023 Response	2023 Comment
1. a. 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.	Yes	IL: Unless the safe harbor provision is met. 86 Ill. Adm. Code 150.802.	Yes	IL: Unless the safe harbor provision is met. 86 Ill. Adm. Code 150.802.
1. b. 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.	Yes	IL: Id.	Yes	IL: Unless the safe harbor provision is met. 86 Ill. Adm. Code 150.802.
1. c. 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	IL: See 86 Ill. Adm. Code 150.802 regarding number of trade shows.
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	IL: Sales tax would be due on the in-state sales.
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	

Comment applicable to all questions in Section II.C.	
2022 Comment:	**2023 Comment:**
IL: Trade Show Appearances, 86 Ill. Adm. Code 150.802, see also 86 Ill. Adm. Code 131.105, 150.201; 150.801. Brown's Furniture v. Wagner, 171 Ill. 2d 410 (1996).	IL: Trade Show Appearances, 86 Ill. Adm. Code 150.802, see also 86 Ill. Adm. Code 131.105, 150.201; Complete Auto Transit, Inc. v. Brady, 430 U.S. 274 (1977); 150.801. Brown's Furniture v. Wagner, 171 Ill. 2d 410 (1996).

D. Activities of Unrelated Parties	2022 Response	2022 Comment	2023 Response	2023 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.	Yes		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	IL: 35 ILCS 105/2.	No	IL: 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.	Yes		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, including for producing an infomercial, with a local television station, cable station, radio station, print publication or electronic publication that is located in your state.	Yes		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."	Yes		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.	Yes		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.	Yes		Yes	

Comment applicable to all questions in Section II.D.	
2022 Comment:	**2023 Comment:**
IL: 86 Ill. Adm. Code 150.201.	IL: 35 ILCS 105/2; 86 Ill. Adm. Code 150.201.

E. Financial Activities	2022 Response	2022 Comment	2023 Response	2023 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 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	
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	
Comment applicable to all questions in Section II.E.				
2022 Comment:		**2023 Comment:**		
IL: 35 ILCS 105/2.		IL: 35 ILCS 105/2.		

F. Activities with Affiliates	2022 Response	2022 Comment	2023 Response	2023 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.	Yes		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	
Comment applicable to all questions in Section II.F.				
2022 Comment:		**2023 Comment:**		
IL: 35 ILCS 105/2, See 86 Ill. Adm. Code 131.105, 150.201; 150.801.		IL: 35 ILCS 105/2, 105/2(1.2). See 86 Ill. Adm. Code 131.105, 150.201; 150.801.		

G. Internet Activities	2022 Response	2022 Comment	2023 Response	2023 Comment
1. a. 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	
1. b. 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	
6. a. 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		Yes	
6. b. 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		Yes	
6. c. 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		Yes	
6. d. 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	
6. e. 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	
6. f. 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	
6. g. 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	
Comment applicable to all questions in Section II.G.				
2022 Comment:			**2023 Comment:**	
IL: 35 ILCS 105/2, See also 86 Ill. Adm. Code 131.105, 150.201; 150.801.			IL: 35 ILCS 105/2, 105/2(1.1), 105/2(1.2). See also 86 Ill. Adm. Code 131.105, 150.201; 150.801.	

H. Activities Related to Digital Property	2022 Response	2022 Comment	2023 Response	2023 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	IL: 86 Ill. Adm. Code 130.2105(a)(3).
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	
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	IL: 86 Ill. Adm. Code 130.1935.
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.	Yes		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	IL: Illinois General Information Letter ST 21-0001-GIL (01/15/2021).
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	
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	

Comment applicable to all questions in Section II.H.	
2022 Comment:	**2023 Comment:**
IL: See 86 Ill. Adm. Code 130.2105(a); Illinois General Information Letter ST 21-GC-0001 (01/15/2021).	IL: See 86 Ill. Adm. Code 130.2105(a); Illinois General Information Letter ST 21-0001-GIL (01/15/2021).

I. Distribution and Delivery	2022 Response	2022 Comment	2023 Response	2023 Comment
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.	Yes		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.	Yes		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.	Yes		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		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		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	

Comment applicable to all questions in Section II.I.	
2022 Comment:	**2023 Comment:**
IL: See 86 Ill. Adm. Code 131.105; 150.201; 150.810.	IL: See 86 Ill. Adm. Code 131.105; 150.201; 150.810.

J. Third-Party Solicitation Activities and Attributional Nexus	2022 Response	2022 Comment	2023 Response	2023 Comment
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	IL: Depends on if the third party is located in IL.
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	IL: Depends on if the third party is located in IL.
3. The out-of-state retailer makes remote sales into your state and hires a third party to solicit sales in-person.	Yes		Yes	IL: 35 ILCS 105/2.
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	IL: Depends on if the third party is located in IL.
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	IL: See 35 ILCS 105/2 (1.1).
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	
Comment applicable to all questions in Section II.J.				
2022 Comment:		**2023 Comment:**		
IL: 35 ILCS 105/2.		IL: See 35 ILCS 105/2.		

K. Transactions Involving Franchise Agreements	2022 Response	2022 Comment	2023 Response	2023 Comment
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.	Yes	IL: See 86 Ill. Adm. Code 130.2010.	Yes	IL: 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.	Yes	IL: Id.	Yes	IL: 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.	Yes	IL: See 86 Ill. Adm. Code 140.101, for application of the Service Occupation Tax.	Yes	IL: See 86 Ill. Adm. Code 140.101, for application of the Service Occupation Tax.
Comment applicable to all questions in Section II.K.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

L. Service Providers	2022 Response	2022 Comment	2023 Response	2023 Comment
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		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.	Yes		Yes	
Comment applicable to all questions in Section II.L.				
2022 Comment:		**2023 Comment:**		
IL: 35 ILCS 115/2 See 86 Ill. Adm. Code 140.101(a); 140.125.		IL: 35 ILCS 115/2 See 86 Ill. Adm. Code 140.101(a); 140.125.		

M. Cloud Computing	2022 Response	2022 Comment	2023 Response	2023 Comment
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	
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	IL: Illinois does not tax services.
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	
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	
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	

Comment applicable to all questions in Section II.M.

2022 Comment:	2023 Comment:
IL: See 86 Ill. Adm. Code 130.1935; 150.201; Illinois Private Ruling Letter ST 17-0006 (08/14/2017).	IL: See 86 Ill. Adm. Code 130.1935; 150.201; Illinois Private Ruling Letter ST 17-0006-PLR (08/14/2017).

N. Registration with State Agencies/Departments	2022 Response	2022 Comment	2023 Response	2023 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	

Comment applicable to all questions in Section II.N.

2022 Comment:	2023 Comment:
IL: See 86 Ill. Adm. Code 150.201.	IL: See 86 Ill. Adm. Code 150.201.

O. Drop Shipment Transactions	2022 Response	2022 Comment	2023 Response	2023 Comment
1. a. 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	
1. b. 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	
2. a. 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		Yes	
2. b. 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.	Yes		Yes	
3. a. 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.	Yes		Yes	
3. b. 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.	Yes		Yes	
4. a. 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.	Yes		Yes	
4. b. 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.	Yes		Yes	

Comment applicable to all questions in Section II.O.	
2022 Comment:	**Comment 2023:**
IL: 35 ILCS 105/2 et seq; 86 Ill. Adm. Code 130.225.	IL: 35 ILCS 105/2 et seq; 86 Ill. Adm. Code 130.225.

Section III. Refund Claims				
A. Refund Claims	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
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.	Yes		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	IL: Need unconditional promissory note.	No	IL: 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		No	IL: Only the party that paid the tax directly to the Department has standing to file a claim regarding an overpayment of the tax. See 86 Ill. Adm. Code 130.1501.
Comment applicable to all questions in Section III.A.				
2022 Comment:		**Comment 2023:**		
IL: See 86 Ill. Adm. 130.1501.		IL: See 86 Ill. Adm. 130.1501.		

Section IV. Voluntary Disclosure Agreements				
A. Voluntary Disclosure Agreements	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Does your state currently offer a voluntary disclosure program?	Yes		Yes	
2. If your state does not currently offer a voluntary disclosure program, has it done so in the past?	Not Applicable		Not Applicable	
3. If your state currently offers a voluntary disclosure program, or has done so in the past, is there a defined lookback period? (If yes, please put the length of the lookback period in the comment box for this question. If your state does not, or has not ever, offered a voluntary disclosure program, enter "not applicable" for this question.)	**NEW**	**NEW**	Yes	IL: 4 years. See 86 Ill. Adm. Code 210.126.
4. Would issues missed on an audit qualify for inclusion in your state's voluntary disclosure program?	No		No	
This question has been deleted for 2023.	**X**	**X**	**X**	**X**
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?	No Response		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?	No Response		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?	No Response		No Response	

Comment applicable to all questions in Section IV.A.	
2022 Comment:	**Comment 2023:**
IL: See Ill. Adm. Code 210.126.	IL: See Ill. Adm. Code 210.126.

Section V. Local Sales Taxes				
A. Local Sales Taxes	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Do local jurisdictions in your state impose their own sales tax? (If no, respond "not applicable" to questions 2 through 9.)	Yes		Yes	
2. Are local sales taxes administered by your state?	Yes	IL: Depends on the local tax.	Yes	IL: Depends on the local tax.
3. Are local sales taxes administered by the locality?	Yes	IL: Id.	Yes	IL: Depends on the local tax.
4. Are local sales taxes administered by both the state and the locality?	Yes	IL: Depends on the local tax. For example, Chicago administers its own Use Tax.	Yes	IL: Depends on the local tax. For example, Chicago administers its own Use Tax on general merchandise.
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		Yes	
7. Are local sales tax audits conducted by your state?	Yes	IL: Depends on the local tax.	Yes	IL: 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		Yes	IL: If nexus is based on 35 ILCS 120/2(b) or (c).
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	

Comment applicable to all questions in Section V.A.	
2022 Comment:	**Comment 2023:**
IL: 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.	IL: 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.

Section VI. Taxation of Digital Assets (New for 2023)				
For all questions below, "digital assets" refers to blockchain (distributed ledger technology) based intangible digital assets, including nonfungible tokens (NFTs), cryptocurrency, equity tokens, utility tokens, etc.				
A. Digital Assets	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1.Has your state issued guidance addressing the taxation of digital assets? (If yes, please provide the citation or a link to the guidance in the comment box for this question.)	NEW	NEW	No Response	
2. Has your state issued any specific guidance on how to source digital asset transactions? (If yes, please provide the citation or a link to the guidance in the comment box for this question.)	NEW	NEW	No Response	
3. Has your state issued any specific guidance addressing reporting or information collection requirements for NFT marketplace operators or cryptocurrency exchanges? (If yes, please provide the citation or a link to the guidance in the comment box for this question.)	NEW	NEW	Not Applicable	
4. If your state has not issued guidance addressing the taxation of digital assets, is your state planning to do so within the next year?	NEW	NEW	No Response	
5. Are purchases made with cryptocurrency included in your state's economic nexus threshold?	NEW	NEW	Not Applicable	
6. Does your state impose sales tax on purchases of taxable property or services made using cryptocurrency?	NEW	NEW	No Response	
7. Do your state's mixed-transaction rules apply to purchases of NFTs bundled with other property or services?	NEW	NEW	Not Applicable	
8. Does your state require marketplace facilitators to collect and remit sales tax from sales of NFTs made on their marketplace?	NEW	NEW	No Response	
Comment applicable to all questions in Section VI.A. (NEW)				
Comment 2022:		**Comment 2023:**		
NEW				

2023 SURVEY OF STATE TAX DEPARTMENTS		
Section I. Corporate Income Tax Nexus Policies		
A. State Statutes, Regulations, Administrative Pronouncements, or Judicial Decisions Specifically Addressing Income Tax Nexus	**2022 Response**	**2023 Response**
1. Identify any statute(s) addressing corporate income tax nexus.	None	None
2. Identify any regulation(s) addressing income tax nexus.	86 Ill. Admin. Code 100.9720.	IL: 86 Ill. Admin. Code 100.9720.
3. Identify any administrative pronouncement(s) addressing income tax nexus.	None	None
4. Identify judicial decision(s) addressing income tax nexus.	Linn v. Department of Revenue, 2 N.E. 3d 1203 (Ill. App. Ct. 2013).	IL: Linn v, Department of Revenue, 2 N.E. 3d 1203 (Ill. App. Ct. 2013).

B. Application of Nexus Standards	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Your state's income tax nexus policy is **only** based on physical presence.	No		No	IL: One of many factors.
2. Your state's income tax nexus policy is **only** based on economic presence. (If "yes," please state the 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	IL: One of many factors.	No	IL: Id.
3. Your state's income tax nexus policy is based on **both** physical presence and economic presence. (If "yes," please state the 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.)	Yes	IL: Standards for determining sufficient tax nexus are found in federal statutes regulating interstate commerce, US Constitution jurisprudence, and Illinois tax statutes.	Yes	IL: Legal Standards for determining sufficient income tax nexus are found in federal statutes regulating interstate commerce, US Constitution jurisprudence, and Illinois tax statutes.
4. Does your state use a factor presence threshold measured by an annual dollar threshold or activity threshold when determining whether your economic nexus standard has been met?	No		No	
Comment applicable to all questions in Section I.B.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023		

C. Adherence to MTC's Factor Presence Nexus Threshold	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
The Multistate Tax Commission's (MTC) model statute, Factor Presence Nexus Standard for Business Activity Taxes, uses both economic and physical presence to determine nexus. However, the model statute sets forth minimum thresholds for each. It states that substantial nexus is established if any of the following limits are exceeded during the tax period: • $50,000 of property, • $50,000 of payroll, • $500,000 of sales, or • 25 percent of total property, total payroll, or total sales.				
Answer "yes" or "no" to the questions in this section. If your response to question 4 in Part C of Section I is "no," answer "not applicable."				
1. Your state's factor presence nexus standard generally conforms to the MTC's model statute, Factor Presence Nexus Standard for Business Activity Taxes. (If "yes," cite to the applicable statute and/or regulation in the comment to this question.)	Not Applicable		No	IL: Illinois does not adhere to factor presence nexus. 86 Ill. Adm. Code 100.9720(a).
2. Your state's factor presence nexus standard partially conforms to the MTC's model statute, Factor Presence Nexus Standard for Business Activity Taxes. (If your response to question 1 is "yes," answer "not applicable.")	Not Applicable		No	IL: Id.
3. If you answered "yes" to questions one or two, has your state's reliance on the MTC's model statute been tested in court? (If "yes," provide citations in the comment to this question.)	Not Applicable		Not Applicable	
4. Your state's factor presence nexus standard does not conform to any aspects of the MTC's model statute, Factor Presence Nexus Standard for Business Activity Taxes.	Not Applicable		Not Applicable	
5. Your state's factor presence nexus standard has adopted an annual dollar threshold or activity threshold applicable only to specific industry groups, which is not based on the MTC's model statute, Factor Presence Nexus Standard for Business Activity Taxes. (If "yes," set forth the standard(s) and applicable industry group(s) in the comment to this	Not Applicable		Not Applicable	
Comment applicable to all questions in Section I.C.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		IL: 86 Illinois Administrative Code 100.9720 (a); 35 ILCS 5/304 - Business income of persons other than residents.		

D. Adoption of Multistate Tax Commission Statements on Federal Pub. L. No. 86-272	2022 Response	2022 Comment	2023 Response	2023 Comment
The Multistate Tax Commission (MTC) has issued three separate statements and one amendment to guidance issued in 1986 aimed at helping states comply with federal Pub. L. No. 86-272. The Phase I Statement incorporates the U.S. Supreme Court's ruling in Wisconsin Dept. of ReVI. VI. William Wrigley, Jr., Co., 505 U.S. 214 (1992). The Phase II Statement added and removed several activities from the non-exhaustive lists of protected and unprotected activities, clarified that the throwback rule is applied on an entity-by-entity basis when a combined or consolidated report is filed and permits signatory states to apply Pub. L. No. 86-272 protections to transactions occurring in non-U.S. commerce. The original signatories to the Phase II statement were AL, AZ, AR, CA, CO, HI, ID, LA, MT, NM, ND, OR, RI and UT. The 2001 Amendment to its guidelines removed delivery of inventory via company-owned vehicles in a state from the list of unprotected activities.				
1. Your state is a signatory to the Phase I Statement, in whole or in part, without any additions or exceptions. (If "yes", please specify if in whole or in part in the comment to this question.)	No		No	
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
2. Your state is a signatory to the Phase II Statement, in whole or in part, without any additions or exceptions. (If "yes", please specify if in whole or in part in the comment to this question.)	No		No	
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
3. Your state conformed its laws to the MTC's 2001 amendment to its guidelines on Pub. L. No. 86-272, in whole or in part. (If "yes", please specify if in whole or in part in the comment to this question.)	No		No	
4. Your state does not conform to the Phase I Statement, Phase II Statement, or 2001 Amendment.	No		No	
Comment applicable to all questions in Section I.D.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023		

E. Nexus Enforcement Policies	2022 Response	2022 Comment	2023 Response	2023 Comment
Answer "yes" or "no" to the questions in this section.				
1. Your state sends a nexus questionnaire to corporations that it believes might be doing business within its borders.	Yes		Yes	
2. Your state imposes tax on a corporation that triggers nexus for the entire year (i.e., including amounts in the sales factor that occurred before nexus was established).	Yes		Yes	
3. Your state requires a tax return to be filed even if the corporation's activities are protected by Pub. L. No. 86-272.	Yes	IL: Illinois Income Tax Act ("IITA") Section 502(a)(2) requires corporations qualified to do business in Illinois and required to file a federal income tax return to file in Illinois regardless of tax liability.	Yes	IL: Illinois Income Tax Act ("IITA") Section 502(a)(2) requires corporations qualified to do business in Illinois and required to file a federal income tax return to file in Illinois regardless of tax liability.
4. Your state requires a tax return to be filed by a corporation that has registered in the state, but has not yet commenced doing business.	Yes	IL: IITA Section 502(a)(2) requires corporations qualified to do business in Illinois and required to file a federal income tax return to file in Illinois regardless of tax liability.	Yes	IL: IITA Section 502(a)(2) requires corporations qualified to do business in Illinois and required to file a federal income tax return to file in Illinois regardless of tax liability.
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
5. Your state would find taxable nexus for the **entire** taxable year, **an additional year, or** more than an additional year, for a corporation that stops an activity during the tax year that once created nexus (i.e., trailing nexus). (If "yes," indicate 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		No	
This question has been deleted for 2023.	X	X	X	X
Comment applicable to all questions in Section I.E.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

Section II. Taxation of Digital Assets (New for 2023)				
For all questions below, "digital assets" refers to blockchain (distributed ledger technology) based intangible digital assets, including nonfungible tokens (NFTs), cryptocurrency, equity tokens, utility tokens, etc.				
A. Digital Assets	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Has your state issued guidance addressing the taxation of digital assets? (If yes, please provide the citation or a link to the guidance in the comment box for this question.)	NEW	NEW	Yes	IL: 35 ILCS/304(a)(3)(B-1) & (B-2). See also IT 21-0004-GIL (08/31/2021).
2. Has your state issued any guidance on how to source digital asset transactions? (If yes, please provide the citation or a link to the guidance in the comment box for	NEW	NEW	Yes	IL: 86 Ill. Adm. Code. 100.3370. See also IT 21-0004-GIL (08/31/2021).
3. Has your state issued any reporting or information collection requirements on NFT marketplace operators or crypto exchanges? (If yes, please provide the citation or a link to the guidance in the comment box for this question.)	NEW	NEW	No	
4. If your state has not issued guidance addressing the taxation of digital assets, is your state planning to do so within the next year?	NEW	NEW	Not Applicable	
5. Has your state adopted any nexus standards related to digital assets? (If yes, please provide the citation or a link to the guidance in the comment box for this	NEW	NEW	No	
6. Does your state conform to federal treatment of digital assets as outlined in IRS Notice 2014-21, 2014-16 I.R.B. 938?	NEW	NEW	Yes	

Comment applicable to all questions in Section II.A.	
2022 Comment:	**2023 Comment:**
NEW	Blank for 2023.

Section III. Nexus—Creating Activities				
State "yes" or "no" to show whether each of the following activities or relationships would, by itself, create sufficient nexus to subject an out-of-state corporation to an income-based taxI. When determining whether the listed activity/relationship would create nexus in your state for a corporation, assume that each item is the only activity/relationship the corporation has in your state (other than activities protected by Pub. L. No. 86-272).				
A. General Activities	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. The out-of-state corporation is doing business in your state.	Yes		Yes	
2. The out-of-state corporation makes sales to customers in your state by means of a 1-800 telephone order number advertised in your state.	No		No	
3. The out-of-state corporation uses local phone numbers in your state, calls to which are forwarded to the out-of-state corporation's headquarters located in another state.	Yes		Yes	
4. The out-of-state corporation maintains a bank account at a bank located in your state.	No		No	
5. The out-of-state corporation provides one to six days of consulting services in your state during the year.	Yes		Yes	
6. The out-of-state corporation, through a third party, provides warranty services on goods sold in your state.	Yes	IL: If work is performed by an agent of the taxpayer.	Yes	IL: If work is performed by an agent of the taxpayer.
7. The out-of-state corporation sends catalogs to residents in your state.	No		No	
8. The out-of-state corporation has at least one client in the state.	Yes		Yes	
9. Does your state have a de minimis standard? (If "yes," explain and include whether the standard is based on the number of activities performed or the number of days an activity is performed in your state in the comment to this question.)	Yes	IL: Illinois has no specific definition of "de minimis".	Yes	IL: Illinois has no specific definition of "de minimis".
10. Does your state apply the definition of "transacting business" or "doing business" used to determine whether an out-of-state corporation must register with the Secretary of State, or other similar agency, when determining whether the out-of-state corporation has nexus with your state?	Yes		Yes	
Comment applicable to all questions in Section III.A.				
2022 Comment:			**2023 Comment:**	
Blank for 2022.			Blank for 2023.	

B. Registration with State Agencies/Departments	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. The out-of-state corporation 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		No	
2. The out-of-state corporation holds a general business license issued by your state.	No		No	
3. The out-of-state corporation holds a specialty license issued by your state, such as a specialty insurance license.	No		No	
4. The out-of-state corporation is registered with the state tax department for payroll tax purposes.	No		No	
5. The out-of-state corporation is registered with the state agency or department that regulates or administers workers' compensation.	No		No	
6. The out-of-state corporation is registered with the state as a government vendor or contractor.	No		No	
7. The out-of-state corporation is registered with the state for sales tax purposes.	No Response	IL: Insufficient information is provided to answer the question.	No Response	IL: Insufficient information is provided to answer the question.
Comment applicable to all questions in Section III.B.				
2022 Comment:			**2023 Comment:**	
Blank for 2022.			Blank for 2023.	

C. Ownership/Leasing of In-State Property	2022 Response	2022 Comment	2023 Response	2023 Comment
1. The out-of-state corporation owns unimproved land in your state.	Yes		Yes	
2. The out-of-state corporation stores inventory or other goods in a public warehouse in your state for fewer than 30 days per year.	Yes		Yes	
3. The out-of-state corporation stores inventory or other goods in a bonded warehouse in your state for fewer than 30 days per year.	Yes		Yes	
4. The out-of-state corporation ships in-process inventory to an unrelated party in your state solely for processing.	Yes		Yes	
5. The out-of-state corporation consigns goods to vendors, independent contractors, or other parties in your state.	Yes		Yes	
6. The out-of-state corporation owns display racks in your state.	Yes		Yes	
7. The out-of-state corporation owns tooling, molds, dies, etc., located at a manufacturing facility in your state.	Yes		Yes	
8. The out-of-state corporation leases (as lessor) real estate in your state to an unrelated third party.	Yes		Yes	
9. The out-of-state corporation leases (as lessor) rented mobile property such as rail cars, planes, and trailers, which the lessee may use in your state five or fewer times per year.	Yes		Yes	
10. The out-of-state corporation owns or leases automobiles provided to salespersons in your state.	Yes		Yes	
11. The out-of-state corporation owns or leases trucks or automobiles used by non-salespersons in your state.	Yes		Yes	
12. The out-of-state corporation owns or leases other machinery or equipment in your state.	Yes		Yes	
13. The out-of-state corporation holds title to property located in your state until the contract price has been paid.	Yes		Yes	
14. The out-of-state corporation files a security interest in your state on inventory sold until the contract price has been paid.	Yes		Yes	
15. The out-of-state corporation owns or leases a place in your state for company employees, directors, and officers.	Yes		Yes	

Comment applicable to all questions in Section III.C.	
2022 Comment:	**2023 Comment:**
IL: See 86 Ill. Admin. Code 100.9720(c)(5)(D) and (E).	IL: See 86 Ill. Admin. Code 100.9720(c)(5)(D) and (E).

D. Ownership Interest of In-State Pass-Through Entities	2022 Response	2022 Comment	2023 Response	2023 Comment
1. The out-of-state corporation owns an interest in an investment partnership or LLC that is doing business in your state.	No Response	IL: IITA Section 205(b) exempts an "investment partnership" from replacement income tax. Under IITA Section 305(c-5) the distributive share income of a nonresident partner of an investment partnership is generally deemed nonbusiness income and allocated to the partner's state of residence or commercial domicile.	No Response	IL: IITA Section 205(b) exempts an "investment partnership" from replacement income tax. Under IITA Section 305(c-5) the distributive share income of a nonresident partner of an investment partnership is generally deemed nonbusiness income and allocated to the partner's state of residence or commercial domicile.
2. The out-of-state corporation owns a general interest in a partnership that is doing business in your state.	Yes		Yes	
3. The out-of-state corporation owns a limited interest in a partnership that is doing business in your state.	Yes		Yes	
4. The out-of-state corporation owns an interest in an LLC that is doing business in your state and is involved in managing the LLC.	Yes		Yes	
5. The out-of-state corporation 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.	Yes		Yes	
6. The out-of-state corporation owns an interest in an entity located in your state that is disregarded for federal income tax purposes.	Yes		Yes	
7. The out-of-state corporation owns a managing interest in a pass-through entity that limits its activities in your state to managing intangible investment assets that generate passive income.	Yes		Yes	
8. The out-of-state corporation owns a limited interest in a pass-through entity that limits its activities in your state to managing intangible investment assets that generate passive income.	Yes		Yes	
9. The out-of-state corporation owns a managing interest in a pass-through entity that limits its activities in your state to managing real property located in-state that generates passive income.	Yes		Yes	
10. The out-of-state corporation owns a limited interest in a pass-through entity that limits its activities in your state to managing real property located in-state that generates passive income.	Yes		Yes	

Comment applicable to all questions in Section III.D.	
2022 Comment:	**2023 Comment:**
Blank for 2022.	Blank for 2023.

E. Licensing Intangibles	2022 Response	2022 Comment	2023 Response	2023 Comment
1. The out-of-state corporation licenses trademarks or trade names to related entities with locations in your state.	Yes		Yes	
2. The out-of-state corporation licenses trademarks or trade names to unrelated entities with locations in your state.	Yes		Yes	
3. The out-of-state corporation sells/licenses franchises (such as fast-food franchises) to residents of your state.	Yes		Yes	
4. The out-of-state corporation licenses canned software to consumers in your state.	Yes		Yes	
5. The out-of-state corporation receives a management fee from a related entity with a location in your state.	Yes		Yes	
6. The out-of-state corporation receives a management fee from an unrelated entity with a location in your state.	Yes		Yes	
7. The out-of-state corporation licenses to an in-state consumer permission to use its website for a webinar.	Yes		Yes	
8. The out-of-state corporation sells/licenses the right to use a patent or copyright to related entities with locations in your state.	Yes		Yes	
9. The out-of-state corporation sells/licenses the right to use a patent or copyright to unrelated entities with locations in your state.	Yes		Yes	
10. The out-of-state corporation sells/rents customer lists to unrelated entities in your state.	Yes		Yes	

Comment applicable to all questions in Section III.E.

2022 Comment:	2023 Comment:
Blank for 2022.	Blank for 2023.

F. Employee Activities — Sales Related	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Employees of an out-of-state corporation, while in your state accept and approve customer orders.	Yes		Yes	
2. Employees of an out-of-state corporation, while in your state negotiate prices, subject to approval outside your state.	Yes		Yes	
3. Employees of an out-of-state corporation, while in your state investigate credit-worthiness of customers.	Yes		Yes	
4. Employees of an out-of-state corporation, while in your state secure or accept deposits on sales.	Yes		Yes	
5. Employees of an out-of-state corporation, while in your state handle credit disputes.	Yes		Yes	
6. Employees of an out-of-state corporation, while in your state attend trade shows or maintain sample/display rooms for one to 14 days per year.	No Response	IL: Insufficient information is provided to answer the question.	No Response	IL: Insufficient information is provided to answer the question.
7. Employees of an out-of-state corporation, while in your state maintain a two-month supply of free samples.	Yes		Yes	
8. Employees of an out-of-state corporation, while in your state check customers' inventories for reorder.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer the question.
9. Employees of an out-of-state corporation, while in your state make a single sale on his or her own initiative and without the company's prior knowledge (assume that the sale was de minimis).	No		No	
10. Employees of an out-of-state corporation, while in your state make a single sale on his or her own initiative and without the company's prior knowledge (assume that the sale was not de minimis).	Yes		Yes	
11. Employees of an out-of-state corporation, while in your state solicit sales of services in your state one to six days per year.	Yes		Yes	
12. Employees of an out-of-state corporation, while in your state perform a sales-related function and are reimbursed for the costs of maintaining an in-home office.	No		No	
13. Employees of an out-of-state corporation, while in your state operate mobile stores.	Yes		Yes	

Comment applicable to all questions in Section III.F.

2022 Comment:	2023 Comment:
Blank for 2022.	Blank for 2023.

G. Employee Activities — Non-Sales Related	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Employees of an out-of-state corporation, while in your state collect delinquent accounts.	Yes		Yes	
2. Employees of an out-of-state corporation, while in your state repossess property.	Yes		Yes	
3. Employees of an out-of-state corporation, while in your state regularly perform installation, repair, maintenance, or warranty services.	Yes		Yes	
4. Employees of an out-of-state corporation, while in your state perform installation, repair, or warranty services one to four times per year.	Yes		Yes	
5. Employees of an out-of-state corporation, while in your state set up promotional display of products (e.g., end caps, etc.) and inspect inventory.	Yes		Yes	
6. Employees of an out-of-state corporation, while in your state supervise or inspect installation.	Yes		Yes	
7. Employees of an out-of-state corporation, while in your state conduct training courses, seminars, or lectures two times per year.	Yes		Yes	
8. Employees of an out-of-state corporation, while in your state provide engineering or design functions related to customized products.	Yes		Yes	
9. Employees of an out-of-state corporation, while in your state handle customer complaints.	Yes		Yes	
10. Employees of an out-of-state corporation, while in your state pick up defective merchandise.	Yes		Yes	
11. Employees of an out-of-state corporation, while in your state pick up or replace damaged or returned property.	Yes		Yes	
12. Employees of an out-of-state corporation, while in your state provide shipping information and coordinate deliveries.	Yes		Yes	
13. Employees of an out-of-state corporation, while in your state telecommute from their homes located in your state. Assume that there are one to six such employees in your state and all of these employees perform non-solicitation activities. (Explain whether you would reach a different answer if the out-of-state corporation made no sales in your state, or if the employees telecommute for only part of their total work time in the comment for this question.)	Yes	IL: Having an employee performing services constitutes physical presence. If the out-of-state corporation made no sales in IL, then its apportionment factor would be zero.	Yes	IL: Having an employee performing services constitutes physical presence. If the out-of-state corporation made no sales in IL, then its apportionment factor would be zero.
13. a. At least one employee of an out-of-state corporation telecommutes from a home located in your state and performs back-office administrative business functions, such as payroll, as opposed to direct customer service or other activities directly related to the employer's commercial business activities.	Yes		Yes	
13. b. At least one employee of an out-of-state corporation telecommutes from a home located in your state and performs product development functions such as computer coding.	Yes		Yes	
14. Employees of an out-of-state corporation, assist the out-of-state corporation in defending a lawsuit (e.g., legal staff and witnesses) while in your state for one to 30 days.	Yes		Yes	
15. Employees of an out-of-state corporation, purchase raw materials and inventory while in your state for 20 or fewer days.	Yes		Yes	
16. Employees of an out-of-state corporation attend seminars in your state.	Yes		Yes	
17. Employees of an out-of-state corporation attend an annual training seminar, convention, trade show, retreat, or board of directors meeting in your state for one to 14 consecutive days each year (assume that, during their stay, employees maintain contact with the out-of-state office, and conduct business over the telephone or fax machines in your state).	No		No	
18. Employees of an out-of-state corporation fly into your state on a commercial airline for business purposes one to four times per year.	Yes		Yes	
19. Employees of an out-of-state corporation fly into your state on a commercial airline for business purposes five or more times per year.	Yes		Yes	
20. Employees of an out-of-state corporation fly into your state on a company plane for business purposes one to four times per year.	Yes		Yes	
21. Employees of an out-of-state corporation fly into your state on a company plane for business purposes five or more times per year.	Yes		Yes	
22. Employees of an out-of-state corporation fly into your state on a company plane to attend a seminar.	No		No	
23. Employees of an out-of-state corporation state fly into your state on a company plane to attend sports events at least four times, but fewer than 10 times per year.	No Response	IL: Insufficient information is provided to answer the question.	No Response	IL: Insufficient information is provided to answer the question.
24. Employees of an out-of-state corporation attend seminars or social functions while staying on a company yacht docked in waters in your state for one to 14 days.	No		No	
25. Employees of an out-of-state corporation hold job fairs, hiring events, or other recruiting activities in your state.	Yes		Yes	
26. Employees of an out-of-state corporation-hire, supervise, or train other employees in your state.	Yes		Yes	

Comment applicable to all questions in Section III.G.	
2022 Comment:	**2023 Comment:**
Blank for 2022.	Blank for 2023.

H. Activities of Unrelated Parties	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Unrelated third parties located in your state provide fulfillment services (i.e., fill product orders from corporate-owned inventory).	Yes		Yes	
2. Unrelated third parties located in your state collect regular or delinquent accounts.	No		No	
3. Unrelated third parties located in your state investigate credit-worthiness of new customers.	No		No	
4. Unrelated third parties located in your state repossess property one to six times a year.	Yes		Yes	
5. Unrelated third parties located in your state repair or provide maintenance, including warranty services, one to six times per year.	No Response	IL: Insufficient information is provided to answer question.	No Response	IL: Insufficient information is provided to answer question.
6. Unrelated third parties located in your state assist with the set-up or installation of the company's products.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.
7. Unrelated third parties located in your state perform repairs under standard or extended warranty.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.
8. Unrelated third parties located in your state close mortgage loans for an out-of-state financial organization.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.
9. Unrelated third parties located in your state service mortgage and/or consumer loans for an out-of-state financial organization.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.

Comment applicable to all questions in Section III.H.

2022 Comment:	2023 Comment:
Blank for 2022.	Blank for 2023.

I. Distribution and Delivery	2022 Response	2022 Comment	2023 Response	2023 Comment
1. The out-of-state corporation ships products into your state in returnable containers.	No		No	
2. The out-of-state corporation delivers goods into your state (from a point outside your state) to customers in the out-of-state corporation's owned or leased vehicles.	No		No	
3. The out-of-state corporation picks up defective products or scrap materials in your state in the out-of-state corporation's owned or leased vehicles.	Yes		Yes	
4. The out-of-state corporation picks up raw materials in your state in the out-of-state corporation's vehicles.	Yes		Yes	
5. The out-of-state corporation travels to or through your state one to six times per year in the out-of-state corporation's owned or leased vehicles, but does not pick up or deliver goods in your state.	No Response	IL: Insufficient information is provided to answer question.	No Response	IL: Insufficient information is provided to answer question.
6. The out-of-state corporation travels to or through your state more than six times, but no more than 12 times, per year in the out-of-state corporation's owned or leased vehicles, but does not pick up or deliver goods in your state.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.
7. The out-of-state corporation travels to or through your state more than 12 times per year in the out-of-state corporation's owned or leased vehicles, but does not pick up or deliver goods in your state.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.
8. The out-of-state corporation "backhauls" (i.e., picks up shipments at the destination or nearby location for delivery to another point) in corporate-owned trucks.	Yes		Yes	
9. The out-of-state corporation holds title to electricity flowing through a transmission wire within your state (the transmission neither originates nor terminates in your state).	No		No	
10. The out-of-state corporation holds title to natural gas flowing through a pipeline within your state (the natural gas neither originates nor terminates in your state).	Yes		Yes	

Comment applicable to all questions in Section III.I.

2022 Comment:	2023 Comment:
Blank for 2022.	Blank for 2023.

J. Financial Activities/Transactions	2022 Response	2022 Comment	2023 Response	2023 Comment
1. The out-of-state corporation negotiates and obtains bank loans from a bank located in your state (assume officers of the out-of-state corporation visit the bank at least twice a year to discuss business).	No Response	IL: Insufficient information is provided to answer question.	No Response	IL: Insufficient information is provided to answer question.
2. The out-of-state corporation makes loans secured by real estate located in your state.	Yes		Yes	
3. The out-of-state corporation makes personal loans secured by tangible property located in your state.	Yes		Yes	
4. The out-of-state corporation issues credit cards to residents of your state.	Yes		Yes	
5. The out-of-state corporation purchases, via the secondary market, loans secured by real estate located in your state.	Yes		Yes	
6. The out-of-state corporation purchases, via the secondary market, credit account balances of residents of your state.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.
7. The out-of-state corporation makes personal loans to 20 or more residents of your state who traveled across the state border to obtain the loans.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.
8. The out-of-state corporation makes personal loans to 20 or more out-of-state residents who, over a number of years, subsequently move to your state.	No		No	
9. The out-of-state corporation makes automobile loans to 20 or more out-of-state residents who, over a number of years, subsequently move to your state.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.
10. The out-of-state corporation is in the business of packaging and selling credit card and mortgage loans to passive investors throughout the United States (assume a few of the debtors and some of the property securing the loans are located in your state).	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.
11. The out-of-state corporation forecloses on one parcel of real estate located in your state.	Yes		Yes	
12. The out-of-state corporation forecloses on several parcels of real estate located in your state.	Yes		Yes	
Comment applicable to all questions in Section III.J.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

K. Transactions With In-State Printers	2022 Response	2022 Comment	2023 Response	2023 Comment
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
Comment applicable to all questions in Section III.K.				
2022 Comment:		**2023 Comment:**		

L. Cloud Computing or Software as a Service (SaaS) Transactions	2022 Response	2022 Comment	2023 Response	2023 Comment
Assume an out-of-state corporation provides access to software to customers in your state via a third party's cloud infrastructure. Customers pay a fee in return for a license to use the software. State whether nexus would result under the following scenarios.				
1. The out-of-state corporation provides access to its software to in-state customers and pays independent contractors to perform configuration/set-up services in the state.	Yes		Yes	
2. The out-of-state corporation provides access to its software to in-state customers and lacks a physical presence in the state, but has a substantial number of customers with billing addresses in the state.	Yes		Yes	
3. The out-of-state corporation provides access to its software to in-state customers and lacks a physical presence in the state, but earns a substantial amount of revenue from customers in the state.	Yes		Yes	
4. The out-of-state corporation rents space on a third-party server located in the state and otherwise lacks a physical presence in the state.	Yes		Yes	
Comment applicable to all questions in Section III.L.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

M. Internet-Based Activities	2022 Response	2022 Comment	2023 Response	2023 Comment
If your answer to any of the following questions depends on whether the out-of-state corporation made sales into your state, explain in the comment to the question(s).				
1. The out-of-state corporation owns an internet server located in your state.	Yes		Yes	
2. The out-of-state corporation owns an internet server located in your state and hires third-party technicians located in your state to keep the server functioning.	Yes		Yes	
3. The out-of-state corporation leases a third-party's internet server located in your state. Assume that the server is used exclusively by the out-of-state corporation.	Yes		Yes	
4. The out-of-state corporation 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 corporations.	No Response	IL: Insufficient information is provided to answer question.	No Response	IL: Insufficient information is provided to answer question.
5. The out-of-state corporation 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 corporation's data is on the third-party's internet server in your state for less than six months during the year.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.
6. The out-of-state corporation 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 corporation's data is on the third-party's internet server in your state for more than six months during the year.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer question.
7. The out-of-state corporation 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 corporation web services to sell products over the internet.	No		No	

Comment applicable to all questions in Section III.M.	
2022 Comment:	**2023 Comment:**
Blank for 2022.	Blank for 2023.

Section IV. State Tax Add-Backs

Editors' Note: In previous years, the questions in this section were framed to ask whether a deduction was allowed, with the majority of states responding "allowed" or "disallowed." These results were then translated into "yes" or "no" responses to the question of whether an add back was required for purposes of the Survey of State Tax Departments special report. This year, we are reframing the questions in this questionnaire to reflect the answers published in the special report. As a result, all previous "allowed" answers will now appear as "no" and all "disallowed" answers will now appear as "yes."

A. General Taxes	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of state income-based taxes imposed by your state in arriving at your state's corporate-based income tax in arriving at your state's corporate-based income tax?	Yes		Yes	
2. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of state income-based taxes imposed by other states in arriving at your state's corporate-based income tax?	No		No	
3. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of local income-based taxes imposed by in-state local governments in arriving at your state's corporate-based income tax?	No		No	
4. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of local income-based taxes imposed by out-of-state local governments in arriving at your state's corporate-based income tax?	No		No	
5. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of foreign income taxes (other countries) in arriving at your state's corporate-based income tax?	No		No	
6. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of dual capacity foreign taxes (other countries) in arriving at your state's corporate-based income tax?	No		No	
7. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of state franchise taxes based on capital stock or net worth in arriving at your state's corporate-based income tax?	No		No	
8. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of gross receipts taxes in arriving at your state's corporate-based income tax?	No		No	

Comment applicable to all questions in Section IV.A.

2022 Comment:	2023 Comment:
Blank for 2022.	Blank for 2023.

B. State-Specific Taxes	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of the District of Columbia Unincorporated Business Tax in arriving at your state's corporate-based income tax?	No		No	
2. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of the Kentucky License Tax in arriving at your state's corporate-based income tax?	No		No	
3. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of the New Hampshire Business Profits Tax in arriving at your state's corporate-based income tax?	No		No	
4. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of the Washington Business and Occupation Tax in arriving at your state's corporate-based income tax?	No		No	
5. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of the West Virginia Business and Occupation Tax in arriving at your state's corporate-based income tax?	No		No	
6. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of the New York City Unincorporated Business Tax in arriving at your state's corporate-based income tax?	No		No	
7. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of the Ohio CAT in arriving at your state's corporate-based income tax?	No		No	
8. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of the revised Texas Franchise Tax in arriving at your state's corporate-based income tax?	No		No	
9. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of the Oregon Corporate Activity Tax in arriving at your state's corporate-based income tax?	No		No	
10. Does your state require the add-back (i.e., disallows the deduction) of amounts representing the payment of the Nevada Commerce Tax in arriving at your state's corporate-based income tax?	No		No	

Comment applicable to all questions in Section IV.B.

2022 Comment:	2023 Comment:
Blank for 2022.	Blank for 2023.

Section V. Response to Recent Federal Tax Code Changes				
A. Response to Inflation Reduction Act, Pub. L. No. 117-169	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
1. Does your state conform to I.R.C. § 55(b)(2), as amended by the Inflation Reduction Act, which imposes a corporate alternative minimum tax (AMT) of 15%?	NEW	NEW	No	
2. If your state conforms to I.R.C. § 55(b)(2), does your state apply the Adjusted Financial Statement Income (AFSI) test to corporations, which is AFSI of over $1 billion in average annual income for the prior three years?	NEW	NEW	Not Applicable	
3. Does your state conform to I.R.C. § 59(k)(2), which defines "applicable corporations" as any corporation, excluding S corporations, RICs, and REITs?	NEW	NEW	Not Applicable	
4. Does your state apply a minimum threshold for corporations that may be subject to the new alternative minimum tax? (If yes, please provide the amount in the comment to this question.)	NEW	NEW	Not Applicable	
Comment applicable to all questions in Section V.A.				
2022 Comment:		**2023 Comment:**		
NEW		Blank for 2023.		

B. Response to Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub. L. 116-136	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Your state conforms to I.R.C. § 163(j) as amended by the CARES Act, which temporarily modifies the limitations on the interest expense deduction.	Yes		Yes	
2. Your state conforms to I.R.C. § 168 as amended by the CARES Act, which retroactively classifies qualified improvement property as 15-year property.	Yes		Yes	
3. Your state conforms to I.R.C. § 170 as amended by the CARES Act, which increases the contribution limit of taxable income that may be deducted under the charitable	Yes		Yes	
4. Your state conforms to I.R.C. § 172 as amended by the CARES Act, which modifies the net operating loss deduction.	No Response	IL: For individuals.	No Response	IL: Illinois conform to I.R.C §172 for individuals.
5. Your state conforms to I.R.C. § 179 as amended by the CARES, which suspends the asset expensing limitation amounts.	Yes		Yes	
6. Your state conforms to other Internal Revenue Code sections, not already listed above, as amended, added, or repealed by the CARES Act. (If "yes," identify the code sections in the comment to this question.)	No Response	IL: Illinois is a rolling conformity state subject to addition and subtraction modifications under 35 ILCS 5/203.	No Response	IL: Illinois is a rolling conformity state subject to addition and subtraction modifications under 35 ILCS 5/203.
7. Your state conforms to section 1106(i) of the CARES, which provides that any forgiveness or cancellation of Paycheck Protection Program loans will not be treated as	Yes		Yes	
8. Has your state released guidance regarding its response to the CARES Act? (If "yes," provide a citation to the guidance in the comment to this question.)	No		No	
Comment applicable to all questions in Section V.B.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

Section VI. Apportionment & Sourcing Policies				
A. Apportionment Formula	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Does your state use a three factor apportionment formula based on property, payroll, and sales when apportioning an out-of-state corporation's business income to your state?	No		No	
2. Does your state use a weighted three-factor apportionment formula based on property, payroll, and sales when apportioning an out-of-state corporation's business income to your state?	No		No	
3. Does your state use a single-factor apportionment formula based on sales only when apportioning an out-of-state corporation's business income to your state?	Yes		Yes	
4. Does your state use a different apportionment formula than those described above when apportioning an out-of-state corporation's business income to your state? (If "yes," explain.)	Yes	IL: Special receipts based formulas are provided for insurance companies, financial organizations, federally regulated exchanges, and transportation companies.	Yes	IL: Special receipts based formulas are provided for insurance companies, financial organizations, federally regulated exchanges, and transportation companies. See 35 ILCS 5/304(a), (b), (c), (c-1), (d).
Comment applicable to all questions in Section VI.A.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		IL: Disposition Recommendation IT 96-8, 35 ILCS 5/304(a), (b), (c), (c-1), (d).		

B. Alternative Apportionment	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. If your state's alternative apportionment regime has been invoked, does the state have written regulations or guidelines on when the state or the taxpayer can use it?	Yes	IL: See IITA Section 304(f); 86 Ill. Admin. Code 100.3390.	Yes	IL: See IITA Section 304(f); 86 Ill. Admin. Code 100.3390.
2. Does your state place the burden of proof on the party seeking to apply an alternative apportionment method?	Yes		Yes	IL: 86 Ill. Adm. Code Section 100.3390(c).
3. Does your state place the burden of proof on the taxpayer, without consideration as to which party is seeking to apply an alternative apportionment method?	No		No	
4. To invoke your state's alternative apportionment method, the taxpayer's burden of proof is clear and convincing evidence.	Yes		Yes	IL: Id.
5. To invoke your state's alternative apportionment method, the taxpayer's burden of proof is preponderance of the evidence.	No		No	
6. The state's burden of proof for requiring a taxpayer to use an alternative apportionment method is clear and convincing evidence.	Yes		Yes	IL: Id.
7. The state's burden of proof for requiring a taxpayer to use an alternative apportionment method is preponderance of the evidence.	No		No	
8. Are taxpayers required to request alternative apportionment prior to filing on such a basis? (If "yes," explain how and when such a request must be made in the comment to this question.)	Yes	IL: See 86 Ill. Admin. Code 100.3390.	Yes	IL: Taxpayers are required to request alternative apportionment prior by filing a timely petition 120 days prior to the due date of the tax return (This includes extensions). See 86 Ill. Adm. Code 100.3390(d), (e).
Comment applicable to all questions in Section VI.B.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		IL: See IITA Section 304(f); 86 Ill. Admin. Code 100.3390(c), (d), (e).		

C. General Sourcing Method	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
State which of the methods listed below best describes your state's general approach to sourcing receipts from sales, other than sales of tangible personal property.				
1. An out-of-state corporation must source receipts from sales, other than sales of tangible personal property, to your state based on costs of performance.	No		No	
2. An out-of-state corporation must source receipts from sales, other than sales of tangible personal property, to your state based on the location of the market.	Yes		Yes	IL: Sales of services are sourced to the state if the services are "received" in the State of Illinois. 35 ILCS 5/304(a)(3)(C-5)(iv).
3. An out-of-state corporation must source receipts from sales, other than sales of tangible personal property, to your state using a method other than the methods described above. (If "yes," explain in the comment to this question.)	No		No	
4. Does your state apply different sourcing methods to different categories of receipts (e.g., services, intangibles, etc.) when sourcing an out-of-state corporation's receipts from sales, other than sales of tangible personal property?	Yes		Yes	IL: 35 ILCS 5/304(a)(3).
Comment applicable to all questions in Section VI.C.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		IL: See 35 ILCS 5/304 (a)(3)(C-5)(iv).		

Section VII. Sourcing Receipts				
A. Receipts from Sales of Tangible Personal Property	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
State which of the methods listed below best describes your state's approach to sourcing receipts from sales of tangible personal property by an out-of-state corporation.				
1. Receipts from sales of tangible personal property are added to the numerator of the corporation's sales factor if the property is delivered or shipped to a purchaser within your state (destination-based sourcing).	Yes		Yes	IL: 35 ILCS 5/304(a)(3)(B)(i).
2. Receipts from sales of tangible personal property are added to the numerator of the corporation's sales factor if the property is shipped from an office, store, warehouse, factory or other place of storage in your state (origin-based sourcing).	Yes	IL: If the taxpayer is not subject to tax in the destination state.	Yes	IL: 35 ILCS 5/304(a)(3)(B)(ii).
3. Receipts from sales of tangible personal property are added to the numerator of the corporation's sales factor using a method other than destination-based sourcing or origin-based sourcing. (If "yes," explain in the comment to this question.)	No		No	
Comment applicable to all questions in Section VII.A.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		IL: 35 ILCS 5/304(a)(3)(B)(i); 35 ILCS 5/304(a)(3)(B)(ii).		

B. Sales of Tangible Personal Property to the U.S. Government	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
Comment applicable to all questions in Section VII.B.				
2022 Comment:		**2023 Comment:**		

C. Receipts from Leases, Licenses, or Rentals of Tangible Personal Property	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
State which of the methods listed below best describes your state's approach to sourcing receipts from the lease, license, or rental of tangible personal property by an out-of-state corporation.				
1. An out-of-state corporation must source receipts from the lease, license or rental of tangible personal property to your state based on costs of performance.	No		No	
2. An out-of-state corporation must source receipts from the lease, license or rental of tangible personal property to your state based on the location of the market.	Yes		Yes	IL: 35 ILCS 5/304(a)(3)(C-5)(ii).
3. An out-of-state corporation must source receipts from the lease, license or rental of tangible personal property to your state based on a method other than those described above. (If "yes," explain in the comment to the this question.)	No		No	
Comment applicable to all questions in Section VII.C.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		IL: 35 ILCS 5/304(a)(3)(C-5)(i)-(ii).		

D. Receipts from Real Property	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
This question has been deleted for 2023.	X	X	X	X
Comment applicable to all questions in Section VII.D.				
2022 Comment:		**2023 Comment:**		

E. Receipts from Services	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
State which of the methods listed below best describes your state's approach to sourcing receipts from sales of services by an out-of-state corporation.				
1. All of the service receipts are added to the numerator of the service company's sales factor if more income-producing activity based on cost of performance is performed in your state than any other state (plurality method).	No		No	
2. A proportionate share of the service company's income is apportioned to the state on a pro rata basis, in which the company's sales are divided among the states in which it does business, depending on the performance level in each state as measured by costs of performance (proportionate method).	No		No	
3. A market-based sourcing approach is used in which sales receipts are sourced based upon the location of the market (market-based sourcing).	Yes		Yes	
4. Receipts from the provision of services are added to the numerator of the company's sales factor using a method other than costs of performance or market-based sourcing. (If "yes," explain in the comment to this question.)	No		No	
Comment applicable to all questions in Section VII.E.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

F. Receipts from Intangibles	2022 Response	2022 Comment	2023 Response	2023 Comment
State which of the methods listed below best describes your state's approach to sourcing the receipts from intangible personal property by an out-of-state corporation.				
1. An out-of-state corporation must source receipts from sales of intangible personal property to your state based on costs of performance.	Yes	IL: Yes for all taxpayers who are not dealers with respect to the property.	Yes	IL: Yes for all taxpayers who are not dealers with respect to the property. See 35 ILCS 5/304(a)(3)(C-5)(iii)(b).
2. An out-of-state corporation must source receipts from sales of intangible personal property to your state based on the location of the market.	Yes	IL: Yes for dealers.	Yes	IL: Yes for dealers. 35 ILCS 5/304(a)(3)(C-5)(iii)(a).
3. An out-of-state corporation must source receipts from sales of intangible personal property to your state based on a method other than costs of performance or market-based sourcing. (If "yes," explain in the comment to this question.)	No		No	
Comment applicable to all questions in Section VII.F.				
2022 Comment:		2023 Comment:		
Blank for 2022.		IL: 35 ILCS 5/304(a)(3)(C-5)(iii)(a).		

G. Cloud Computing or Software as a Service (SaaS) Transactions	2022 Response	2022 Comment	2023 Response	2023 Comment
State which of the methods listed below best describes your state's approach to sourcing receipts from in-state customers that access an out-of-state corporation's software via a third party's cloud infrastructure.				
1. Receipts from cloud computing or SaaS transactions are generally sourced to your state based on costs of performance.	No		No	
2. Receipts from cloud computing or SaaS transactions are generally sourced to your state based on the location of the market.	Yes		Yes	
3. Receipts from cloud computing or SaaS transactions are generally sourced to your state based on a method other than those described above. (If "yes," explain in the comment to this question.)	No		No	
4. Are receipts from cloud computing or SaaS transactions characterized as receipts from the sale of tangible personal property?	No		No	
5. Are receipts from cloud computing or SaaS transactions characterized as receipts from the lease, license or rental of tangible personal property?	No		No	
6. Are receipts from cloud computing or SaaS transactions characterized as receipts from the sale, lease, license or rental of intangible personal property?	No		No	
7. Are receipts from cloud computing or SaaS transactions characterized as receipts from the sale of services?	Yes		Yes	
8. Does your state consider whether the software accessed is prewritten or custom computer software when characterizing its receipts?	No		No	
Comment applicable to all questions in Section VII.G.				
2022 Comment:		2023 Comment:		
Blank for 2022.		Blank for 2023.		

H. Industry Specific Sourcing Rules	2022 Response	2022 Comment	2023 Response	2023 Comment
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
Comment applicable to all questions in Section VII.H.				
2022 Comment:		2023 Comment:		

Section VIII. Treatment of Pass-Through Entities				
A. Classification of Income	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Your state requires a partnership or multi-member LLC to classify its income as business or nonbusiness income at the entity level.	Yes		Yes	IL: 35 ILCS 5/305.
2. Your state requires a partnership or multi-member LLC to classify its income as business or nonbusiness income at the owner level.	No		No	
3. Your state classifies guaranteed payments to nonresident partners or members for personal and professional services performed in another state as business income.	Yes		Yes	IL: Guaranteed payments are treated as distributive shares of partnership income. See 86 Ill. Adm. Code 100.3500(a)(4).
4. Your state classifies guaranteed payments to nonresident partners or members for services, other than personal and professional services, performed in another state as business income.	Yes		Yes	
5. Your state classifies guaranteed payments to nonresident partners or members for the use of their partnership capital in the states where the partnership does business as business income.	Yes		Yes	
This question has been deleted for 2023.	X	X	X	X
Comment applicable to all questions in Section VIII.A.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

B. Apportionment	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Your state requires a partnership to apportion income at the entity level.	Yes		Yes	IL: 35 ILCS 5/305.
2. Your state requires a partnership to apportion income at the owner level.	No		No	
3. Your state requires transactions between the owners and the partnership to be eliminated before income is apportioned.	No		No	
This question has been deleted for 2023.	X	X	X	X
4. Your state requires apportionment of guaranteed payments to nonresident partners for services, other than personal and professional services, performed in another state.	Yes		Yes	IL: Guaranteed payments are treated as distributive shares of partnership income. See 86 Ill. Adm. Code 100.3500(a)(4).
5. Your state requires apportionment of guaranteed payments to nonresident partners for personal and professional services performed in another state.	Yes		Yes	
6. Your state requires apportionment of guaranteed payments to nonresident partners for the use of their partnership capital in the states where the partnership does business.	Yes		Yes	
7. Your state requires partnerships to apportion their income using the same apportionment rules used by corporations.	Yes		Yes	
8. Your state requires partnerships to apportion their income using apportionment rules for pass-through entities instead of the apportionment rules used by corporations.	No		No	
Comment applicable to all questions in Section VIII.B.				
2022 Comment:		**2023 Comment:**		
IL: 86 Ill. Admin. Code 100.3380 requires special rules where the partner and partnership are engaged in a unitary business.		IL: 86 Ill. Adm. Code 100.3380 requires special rules where the partner and partnership are engaged in a unitary business.		

C. Disposition of Pass-Through Entity Interest	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
This question has been deleted for 2023.	X	X	X	X
1. Your state imposes income tax on the gain recognized on the disposition of an out-of-state corporation's managing ownership interest of a pass-through entity doing business in your state when the pass-through entity and corporation comprise a unitary business.	Yes		Yes	
2. Your state imposes income tax on the gain recognized on the disposition of an out-of-state corporation's managing ownership interest of a pass-through entity doing business in your state when the pass-through entity and corporation are nonunitary.	No Response	IL: Insufficient information is provided to answer the question.	No Response	IL: Insufficient information is provided to answer the question.
3. Your state imposes income tax on the gain recognized on the disposition of an out-of-state corporation's limited ownership interest of a pass-through entity doing business in your state when the pass-through entity and corporation comprise a unitary business.	Yes		Yes	
4. Your state imposes income tax on the gain recognized on the disposition of an out-of-state corporation's limited ownership interest of a pass-through entity doing business in your state when the pass-through entity and corporation are nonunitary.	No Response	IL: Id.	No Response	IL: Insufficient information is provided to answer the question.
Comment applicable to all questions in Section VIII.C.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

D. Composite Returns and Withholding	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Your state requires pass-through entities doing business in your state to file composite returns for nonresident individuals who are owners/members/partners.	No		No	
2. Your state requires pass-through entities doing business in your state to file composite returns for out-of-state corporations that are owners/members/partners.	No		No	
3. Your state requires pass-through entities doing business in your state to withhold estimated tax on distributive share payments made to nonresident individuals who are owners/members/partners.	Yes		Yes	IL: 35 ILCS 5/709.5.
4. Your state requires pass-through entities doing business in your state to withhold estimated tax on distributive share payments made to out-of-state corporations that are owners/members/partners.	Yes		Yes	IL: Id.
5. Your state requires nonresident owners/members/partners subject to withholding or composite return requirements to file a return to receive a refund of any amounts over-withheld.	Yes		Yes	
Comment applicable to all questions in Section VIII.D.				
2022 Comment:		**2023 Comment:**		
IL: See 35 ILCS 5/709.5.		IL: See 35 ILCS 5/709.5.		

E. Pass-Through Entity Level Nexus	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Will a partnership doing business in your state create nexus for the partnership itself?	Yes		Yes	
2. Will a multi-member LLC doing business in your state create nexus for the LLC itself?	Yes		Yes	
3. Will an S corporation doing business in your state create nexus for the S corporation itself?	Yes		Yes	
4. Will a QSub doing business in your state create nexus for the Qsub itself?	Yes		Yes	
5. Will a QSub doing business in your state create nexus for the QSub's S corporation parent?	Yes		Yes	
Comment applicable to all questions in Section VIII.E.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

F. Partnership Audit Rules	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Has your state adopted the federal partnership audit rules in whole?	No		No	
2. If not, has your state adopted the federal partnership audit rules in part?	No		No	
3. Does your state make adjustments, determine imputed tax, and assess and collect tax at the partnership entity level?	Yes		Yes	
4. Does your state make adjustments, determine imputed tax, and assess and collect tax at the partner level?	Yes		Yes	
5. Does your state require a partnership that receives an entity level adjustment from the IRS to file a report with the state department of revenue?	Yes		Yes	
6. Does your state allow partnerships to make a different election from the federal election to push out the audit adjustment to persons that were partners in the reviewed year?	Not Applicable	IL: All adjustments are made in the reviewed year.	Not Applicable	IL: All adjustments are made in the reviewed year.
Comment applicable to all questions in Section VIII.F.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

G. Pass-Through Entity Level Taxes	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Has your state imposed an entity-level tax on pass-through entities? (If "yes", please provide the year the pass-through entity tax was enacted in the comment to this question.)	Yes	IL: See 35 ILCS 5/201(p) enacted by Public Act 102-0658. The Pass-through Entity (PTE) tax is an entity-level income tax that partnerships (other than publicly traded partnerships under IRC 7704) and subchapter S corporations may elect to pay effective for tax years ending on or after December 31, 2021.	Yes	IL: See 35 ILCS 5/201(p) enacted by Public Act 102-0658. The Pass-through Entity (PTE) tax is an entity-level income tax that partnerships (other than publicly traded partnerships under IRC 7704) and subchapter S corporations may elect to pay effective for tax years ending on or after December 31, 2021.
2. If "yes" to question 1, is your state's pass-through entity tax mandatory? (If your answer to question 1 is "no" respond with "Not Applicable.")	No		No	
3. If "yes" to question 1, is your state's pass-through entity tax elective? (If your answer to question 1 is "no" respond with "Not Applicable.")	Yes		Yes	
Comment applicable to all questions in Section VIII.G.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

Section IX. Combined Reporting

A. Composition of the Combined Reporting Group	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Does your state use a "unitary business" definition to determine which entities must be included within a combined group.	Yes		Yes	IL: 35 ILCS 5/1501(a)(27); 86 Ill. Adm. Code 100.9700.
2. Does your state look to an "ownership threshold" to determine which entities must be included within a combined group.	No	IL: To meet definition of unitary business, ownership must exceed 50%.	No	IL: To meet definition of unitary business, ownership must exceed 50%.
3. Does your state use some other standard in addition to, or instead of, the "unitary business" definition or "ownership threshold?" (If "yes," set forth the standard(s) in the comment to this question.)	No		No	
4. Does your state use water's-edge reporting (nexus only, all unitary members) as the default method for determining the composition of a combined group?	No		No	
5. Does your state use worldwide reporting (all unitary members) as the default method for determining composition of a combined group?	No		No	
6. Does your state require the exclusion from the unitary business group members whose business activity outside the United States is 80 percent or more of the member's total business activity?	Yes		Yes	
7. Does your state require the inclusion in the unitary business group members whose business activity outside the United States is 80 percent or more of the member's total business activity?	No		No	
8. Does your state require an entity doing business in a tax haven, as defined by your state, to be included within a water's-edge group?	No		No	
9. Does your state require an entity that is foreign, but derives income from intangibles, to be included within a water's-edge group?	No		No	
10. Does your state prohibit including within the combined group related entities that use an industry-specific apportionment formula?	No		No	
11. Your state requires including within the combined group related entities that use an industry-specific apportionment formula.	Yes		Yes	
12. Your state offers elective provisions to a combined group such as allowing the group to determine whether to be comprised on a water's-edge or worldwide basis. (If "yes," set forth the standard(s) in the comment to this question.)	No		No	

Comment applicable to all questions in Section IX.A.

2022 Comment:	2023 Comment:
Blank for 2022.	Blank for 2023.

B. Tax Base	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Your state computes the income tax liability of the group on an aggregate basis and allows members to share tax credits between one another.	Yes		Yes	
2. Your state computes the income tax liability of the group on an aggregate basis and allows members to offset losses between one another.	Yes		Yes	
3. Your state conforms to the "matching rule" under U.S. Treas. Regs. §1.1502-13 (i.e., intercompany transactions shall be taken into account as if the seller and buyer were divisions of a single corporation).	Yes		Yes	
4. Your state conforms to the "acceleration rule" under U.S. Treas. Regs. §1.1502-13 (i.e., intercompany items shall be taken into account when the effect of treating the seller and buyer as divisions of a single corporation cannot be achieved, such as when either the seller or buyer leaves the combined reporting group).	Yes		Yes	

Comment applicable to all questions in Section IX.B

2022 Comment:	2023 Comment:
Blank for 2022.	Blank for 2023.

C. Apportionment	2022 Response	2022 Comment	2023 Response	2023 Comment
1. Does your state include in the numerator of the combined group's sales factor the in-state sales of a no nexus combined group member, notwithstanding Pub. L. No. 86-272 (i.e., Finnigan approach)?	No		No	
2. Your state does not include in the sales factor numerator sales by a no nexus combined group member for purposes of determining taxable income in your state for the other group members (i.e., Joyce approach).	Yes		Yes	IL: 86 Ill. Adm. Code 100.9270(f).
3. Does your state eliminate intercompany transactions (receipts, rents, etc.) from the apportionment factors?	Yes		Yes	IL: 86 Ill. Adm. Code 100.3370(a)(2)(D).

Comment applicable to all questions in Section IX.C.

2022 Comment:	2023 Comment:
Blank for 2022.	Blank for 2023.

Section X. Tax Treatment of Non-U.S. Entities				
A. Tax Treatment of Non-U.S. Entities	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Does your state apply the same nexus standard to non-U.S. entities as it does to domestic entities?	Yes		Yes	IL: 86 Ill. Adm. Code 100.3200(a)(2)(B).
2. Does your state extend the protections under Pub. L. No. 86-272 to business entities that are not organized under the law of a state or local taxing jurisdiction in the U.S. (i.e., a foreign corporation not eligible for Pub. L. No. 86-272 protections)?	Yes		Yes	
3. Does your state generally honor all tax treaties the United States has entered into with other countries?	No		No	
4. Does your state honor some, but not all, tax treaties the United States has entered into with other countries? (If "yes," state which treaties your state honors in the comment to this question.)	No		No	
5. Does your state, when determining the state taxable income of a non-U.S. entity, permit federal income tax treaty exemptions or other limits to control liability for state income taxation (i.e., the non-U.S. entity will only have state taxable income if it has a "permanent establishment" in the U.S. and reports income on Federal Form 1120-F)? (If "no," describe your state's method for computing tax in the comment to this question.)	No Response		No Response	
6. Does your state require a non-U.S. entity that is not subject to federal income tax, but subject to your state's income-based tax, to compute your state's tax by first completing a "pro forma" federal tax return or computation of federal income?	No Response		No Response	
7. Does your state require a non-U.S. entity that is not subject to federal income tax, but subject to your state's income-based tax, to use a starting point in determining state taxable income other than federal taxable income (i.e., $0)?	No Response		No Response	
8. Does your state impose tax on a non-U.S. entity's apportioned worldwide taxable income?	No Response		No Response	
9. Does your state determine the source of income for purposes of determining taxability of nonbusiness income by using the federal source rules under I.R.C. § 861 et seq.? (If "no," state your state's rule.)	No Response		No Response	
10. Does your state use federal source rules to determine the non-U.S. income of an 80-20 corporation for water's edge or other purposes?	No Response		No Response	
11. Does your state impose tax only on the income of the U.S. branch of a non-U.S. entity?	No Response		No Response	
12. Does your state impose income tax on a non-U.S. entity that is not subject to federal income taxation and only files federal Form 1120F?	No Response		No Response	
13. If a foreign business does not file a federal return within a specified period of time after its due date (usually 18 months after the original due date), federal deductions are denied. Does your state follow a similar rule? (State if the higher federal income starting point serves as the equivalent of the state's penalty in the comment to this question.)	No Response		No Response	
14. Does your state impose franchise tax or other non-income based tax on a non-U.S. entity that is not subject to federal income taxation and only files federal Form 1120F?	No Response	IL: Questions regarding franchise tax should be addressed to the Illinois Secretary of State.	No Response	IL: Questions regarding franchise tax should be addressed to the Illinois Secretary of State.
15. Does your state conform to the federal treatment of effectively connected income under I.R.C. §§ 881 and 882?	Yes		Yes	

Comment applicable to all questions in Section X.A.	
2022 Comment:	**2023 Comment:**
IL: The starting point in the computation of Illinois base income of a corporation is federal taxable income. Therefore, in general, items of income and deduction that are included in the computation of federal taxable income are included in the computation of Illinois base income, while items of income that are excluded in computing federal taxable income, or deductions that are denied in computing federal taxable income, are likewise excluded or denied in the computation of Illinois base income.	IL: The starting point in the computation of Illinois base income of a corporation is federal taxable income. Therefore, in general, items of income and deduction that are included in the computation of federal taxable income are included in the computation of Illinois base income, while items of income that are excluded in computing federal taxable income, or deductions that are denied in computing federal taxable income, are likewise excluded or denied in the computation of Illinois base income.

Section XI. Reporting Federal Changes				
A. IRS Audit Reportable Adjustments After Your State's Normal Statute of Limitations Expires	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Does signing IRS Form 870 (Waiver of Restrictions on Assessment & Collection of Deficiency in Tax and Acceptance of Over Assessment) for only one audit when other audit issues are still under review by the IRS constitutes a reportable adjustment after your state's normal statute of limitations has expired?	Yes		Yes	IL: 35 ILCS 5/506 (b).
2. Does any partial settlement of federal tax issues as they are reported/paid to the IRS constitutes a reportable adjustment after your state's normal statute of limitations has expired?	Yes		Yes	IL: Id.
3. Does filing Form 4549-A, Income Tax Discrepancy Report, constitutes a reportable adjustment after your state's normal statute of limitations has expired?	Yes		Yes	
4. Does filing Form 886-A, Explanation of Adjustments, constitutes a reportable adjustment after your state's normal statute of limitations has expired?	Yes		Yes	
5. Does filing Final federal tax changes (i.e., all appeals exhausted) constitutes a reportable adjustment after your state's normal statute of limitations has expired?	Yes		Yes	
6. Would your answer to any of these questions change in cases involving a refund of federal taxable income? (If "yes," state which question or questions would change in the comment to this question.)	No		No	
7. Does your state have written guidance on what constitutes a final federal tax change? (If "yes," cite to the guidance in the comment to this question.)	No		No	
Comment applicable to all questions in Section XI.A.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

B. Other Reportable Adjustments After Your State's Normal Statute of Limitations Expires	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Do other state tax changes constitutes a reportable adjustment after your state's normal statute of limitations has expired?	No		No	
2. Do other local tax changes constitutes a reportable adjustment after your state's normal statute of limitations has expired?	No		No	
3. Do changes to financial statements (e.g., net worth), constitutes a reportable adjustment after your state's normal statute of limitations has expired?	No		No	
4. Do changes by foreign governments constitutes a reportable adjustment after your state's normal statute of limitations has expired?	No		No	
5. Does a federal change (e.g., certain federal tax credits) that has no impact on an entity's tax liability in your state constitutes a reportable adjustment after your state's normal statute of limitations has expired?	No		No	
Comment applicable to all questions in Section XI.B.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023.		

C. Adequate Notice of Reportable Adjustment	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. For purposes of starting the state's statute of limitations for issuing an assessment, adequate notice of a reportable adjustment is only made when a taxpayer actually files an amended return.	Yes		Yes	IL: 35 ILCS 5/905(e).
2. For purposes of starting the state's statute of limitations for issuing an assessment, adequate notice of a reportable adjustment may be made when a taxpayer files some type of notice in writing to your agency (e.g., a document submitted to an auditor without filing an amended tax return).	No		No	
3. For purposes of starting the state's statute of limitations for issuing an assessment, adequate notice of a reportable adjustment is imputed to the tax agency from the date the IRS or another jurisdiction provides information to the agency.	No		No	
Comment applicable to all questions in Section XI.C.				
2022 Comment:		**2023 Comment:**		
Blank for 2022.		Blank for 2023		

Section XII. Voluntary Disclosure Agreements				
A. Voluntary Disclosure Agreements	**2022 Response**	**2022 Comment**	**2023 Response**	**2023 Comment**
1. Does your state currently offer a voluntary disclosure program?	Yes		Yes	IL: 86 Ill. Adm. Code 210.126(e).
2. If your state does not currently offer a voluntary disclosure program, has it done so in the past?	No Response		Not Applicable	
3. If your state currently offers a voluntary disclosure program, or has done so in the past, is there a defined lookback period? (If yes, please put the length of the lookback period in the comment box for this question. If your state does not, or has not ever, offered a voluntary disclosure program, enter "not applicable" for this	**NEW**	**NEW**	Yes	IL: 4 years. See 86 Ill. Adm. Code 210.126 (e).
4. Would issues missed on an audit qualify for inclusion in your state's voluntary disclosure program?	No		No	
5. 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.)	No		No	
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: obtaining a nexus survey from your department?	No		No	
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 question from an outsourced contractor regarding potential liability for a specific tax or for unclaimed property?	No		No	

Comment applicable to all questions in Section XII.A	
2022 Comment:	**2023 Comment:**
Blank for 2022.	IL: See 86 Ill. Adm Code 210.126.