



Illinois Department of Revenue

Legal Services Office
101 W. Jefferson St. MC 5-500
Springfield, IL 62702

SECOND NOTICE OF PROPOSED RULEMAKING

- 1) Agency: Illinois Department of Revenue
- 2) Title and Ill. Adm. Code Citation of Proposed Rulemaking: 86 Ill. Adm. Code 131
- 3) Date, Issue, and page number of the Illinois Register in which the First Notice was published: May 8, 2026, Issue 19, 50 Ill. Reg. 6403
- 4) Text and Location of any Changes Made to the Proposed Rulemaking During the First Notice Period: See attached.
- 5) Final Regulatory Flexibility Analysis:
 - A. Summary of the issues raised by affected small businesses during the First Notice Period: No issues raised.
 - B. Description of actions taken on any alternatives to the proposed rule suggested by small businesses during the First Notice Period, including reasons for rejecting alternatives not utilized: No suggestions made.
- 6) Analysis of the Economic and Budgetary Effects of the Proposed Rulemaking: See attached.
- 7) Response to Recommendations Made by the Administrative Code Division for Changes in the Rule to Make It Comply with the Codification Scheme: All changes requested by the Administrative Code Division have been made.
- 8) Evaluation of the comments received by the agency from interested persons during the first notice period (but not including any questions raised by the Joint Committee in a preliminary review) including:
 - A. Date of any public hearing held during the first notice period. Name of the person or group requesting a hearing: No public hearing requested.
 - B. The names and addresses of all individuals or groups making

comments or requesting the opportunity to make comments: No comments received.

- C. A list of all specific criticisms and suggestions raised in the comments: No comments received.
- D. The agency's evaluation of each of the specific criticisms and suggestions: No comments received.
- E. A statement that the agency has considered all comments received during the first notice period: No comments received.

9) An analysis of the expected effects of the proposed rulemaking, including:

- A. Impact on the public: The underlying statute this rulemaking is implementing has a positive effect on remote retailers with Retailers' Occupation Tax debt to the State as it waives penalty and interest on such debt. The State and local governments may be both negatively and positively impacted as the interest and penalty will be waived and a special tax rate will be used to calculate and remit tax, but compliance will be achieved and these governments will benefit from tax that would not be otherwise paid. However, all of this impact is created by the underlying statute passed by the General Assembly.
- B. Changes in the agency's programs or structure resulting from implementation of the rulemaking: A new form and computer program has been created to process amnesty applications. All tax remitted through the Remote Retailer Amnesty Program must be reported on a single return, electronically through the Department's MyTax program, and during the remote retailer amnesty period from August 1, 2026 through October 31, 2026. Tax must be reported and remitted using a simplified tax rate of 9% for general merchandise and 1.75% for tangible personal property normally taxed at the 1% State rate.
- C. Impact of proposed rule on small businesses. Methods used by Agency to comply with 5 ILCS 100/5-30, including reasons for rejecting any methods not utilized: Public Act 104-0006 provided for a remote retailer amnesty program to encourage remote retailers to come into voluntary compliance with Illinois sales tax laws. Any economic impact is a result of the Public Act this rulemaking is implementing. The Public Act this rulemaking is implementing will

positively affect remote retailers with Retailers' Occupation Tax debt to the State as it waives penalty and interest on such debt. Affected taxpayers are already subject to the requirements associated with participation in the program, and no additional skills are required to comply. The Department is currently administering the Retailers' Occupation Tax Act and is implementing the Remote Retailers' Amnesty Program as required by the statute, and therefore, the methods described in 5 ILCS 100/30 are not legal or feasible in meeting the requirements of the Retailers' Occupation Tax Act and the Program. The Department published the proposed rulemaking in the Illinois Register and on the Department's website.

- 10) A justification and rationale for the proposed rulemaking, including:
- A. Any changes in statutory language requiring the proposed rulemaking: Public Act 104-0006 created the Remote Retailer Amnesty Program, which this rulemaking implements.
 - B. Any changes in agency policy, procedures, or structure requiring the proposed rulemaking: None
 - C. Relationship to any relevant federal rules, regulations, or funding requirements: None
 - D. Court orders or rulings which are related to the rulemaking: None
 - E. A complete explanation of any other reasons for the proposed rulemaking: No other reasons exist.
- 11) Does this rulemaking include an incorporation by reference pursuant to Section 5-75 of the Illinois Administrative Procedure Act? No.

Agency Personnel Who Will Respond to Joint Committee Questions Regarding the Proposed Rulemaking:

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Second Notice of Proposed Rulemaking

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FIRST NOTICE CHANGES

Agency: Illinois Department of Revenue

Rulemaking: 86 Ill. Adm. Code 131

Changes:

1. Lines 111 – 112, delete “notice of deficiency,”
2. Lines 113 – 114, delete “or waiver of restrictions on assessment”
3. Line 170, after “remit all tax” insert “on eligible transactions”
4. Line 176, after “remitted.” Insert “[35 ICLS 120/2-13(c)(3)]”
5. Line 224, before “A taxpayer” insert “If a taxpayer has previously paid State and local retailers’ occupation tax using the appropriate location and tax rate or only incurred State and local retailers’ occupation tax for a portion of the eligibility period, a” and strike “A”.
6. Line 351, after “simultaneously” insert “with”
7. Delete lines 470 - 472.
8. Line 480, delete “or waiver of restrictions on assessment”
9. Lines 482 – 483, after “established liability” delete “, and no refund will be allowed”
10. Line 483, after the end of the sentence, insert “To participate in the Remote Retailer Amnesty Program, the taxpayer must report and remit the eligible liability by converting the established liability into an eligible liability amount using the Simplified Retailers’ Occupation Tax Rate.”
11. Line 485, after “amended return” delete “or waiver of restrictions on assessment”.
12. Line 560, after “tax due for a period” insert “prior to the remote retailer amnesty period,”
13. Line 655, beginning with “In order” move lines 655 through 659 down behind “1)” on line 661.
14. Line 661, move the paragraph beginning with “A taxpayer” from line 661 through 670, down behind “2)” on line 672.
15. Line 657, replace “a tax period” with “each applicable tax period within the eligibility period”
16. Line 672, beginning with “Except in” delete lines 672 through 726.