

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Use Tax
- 2) Code Citation: 86 Ill. Adm. Code 150
- 3)

<u>Section Numbers:</u>	<u>Proposed Actions:</u>
150.801	Amendment
150.802	Amendment
150.1305	Amendment
- 4) Statutory Authority: Implementing the Use Tax Act [35 ILCS 105] and authorized by Sections 2505-90 and 2505-795 of the Department of Revenue Law [20 ILCS 2505].
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking implements Public Act 103-983, which changed the tax obligation for retailers maintaining a place of business in this State making sales to Illinois customers from outside of this State. Prior to January 1, 2025, such sales were subject to Use Tax only. On and after January 1, 2025, these retailers incur destination-based retailers' occupation tax on these sales.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? Yes

<u>Section Numbers</u>	<u>Proposed Actions</u>	<u>Illinois Register Citations</u>
150.905	Amendment	49 Ill. Reg. 374; January 10, 2025
150.1420	Amendment	49 Ill. Reg. 374; January 10, 2025

- 11) Statement of Statewide Policy Objectives: These rules do not create or enlarge a mandate as described in Section 3(b) of the State Mandates Act.

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- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Alexis K. Overstreet
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield, Illinois 62794

(217) 782-7055
REV.GCO@illinois.gov

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: Retailers with a physical presence in the State of Illinois making sales from locations outside of this State to consumers in Illinois.
 - B) Reporting, bookkeeping or other procedures required for compliance: Basic accounting and computer skills.
 - C) Types of professional skills necessary for compliance: Basic accounting and computer skills.
- 14) Small Business Impact Analysis:
- A) Types of businesses subject to the proposed rule:

44-45 Retail Trade
 - B) Categories that the agency reasonably believes the rulemaking will impact, including:
 - i. hiring and additional staffing;
 - iii. purchasing;

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- vi. equipment and material needs;
- vii. training requirements;
- viii. record keeping

15) Regulatory Agenda on which this rulemaking was summarized: July 2024

The full text of the Proposed Amendments begins on the next page:

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TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 150
USE TAX

SUBPART A: NATURE OF THE TAX

Section	
150.101	Description of the Tax
150.105	Rate and Base of Tax
150.110	How to Compute Depreciation
150.115	How To Determine Effective Rate
150.120	Effective Date of New Taxes
150.125	Relation of Use Tax to Retailers' Occupation Tax
150.130	Accounting for the Tax
150.135	How to Avoid Paying Tax on Use Tax Collected From the Purchaser

SUBPART B: DEFINITIONS

Section	
150.201	General Definitions

SUBPART C: KINDS OF USES AND USERS NOT TAXED

Section	
150.301	Cross References
150.305	Effect of Limitation that Purchase Must be at Retail from a Retailer to be Taxable
150.306	Interim Use and Demonstration Exemptions
150.310	Exemptions to Avoid Multi-State Taxation
150.311	Commercial Distribution Fee Sales Tax Exemption (Repealed)
150.315	Non-resident Exemptions
150.320	Meaning of "Acquired Outside This State"
150.325	Charitable, Religious, Educational, and Senior Citizens Recreational Organizations as Buyers
150.330	Governmental Bodies as Buyers
150.331	Persons Who Lease Tangible Personal Property to Exempt Hospitals

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- 150.332 Persons Who Lease Tangible Personal Property to Governmental Bodies
- 150.335 Game or Game Birds Purchased at Game Breeding and Hunting Areas or Exotic Game Hunting Areas
- 150.336 Fuel Brought into Illinois in Locomotives
- 150.337 Food, Drugs, Medicines and Medical Appliances When Purchased for Use by a Person Receiving Medical Assistance under the Illinois Public Aid Code (Repealed)
- 150.340 Manufacturing Machinery and Equipment; Production Related Tangible Personal Property; Department Determination of Amount of Exemption (Repealed)

SUBPART D: COLLECTION OF THE USE TAX FROM USERS BY RETAILERS

- Section
- 150.401 Collection of the Tax by Retailers From Users
- 150.405 Tax Collection Brackets
- 150.410 Tax Collection Brackets for a 2¼% Rate of Tax (Repealed)
- 150.415 Tax Collection Brackets for a 2½% Rate of Tax (Repealed)
- 150.420 Tax Collection Brackets for a 2¾% Rate of Tax (Repealed)
- 150.425 Tax Collection Brackets for a 3% Rate of Tax (Repealed)
- 150.430 Tax Collection Brackets for a 3⅛% Rate of Tax (Repealed)
- 150.435 Tax Collection Brackets for a 3¼% Rate of Tax (Repealed)
- 150.440 Tax Collection Brackets for a 3½% Rate of Tax (Repealed)
- 150.445 Tax Collection Brackets for a 3¾% Rate of Tax (Repealed)
- 150.450 Tax Collection Brackets for a 4% Rate of Tax (Repealed)
- 150.455 Tax Collection Brackets for a 4⅛% Rate of Tax (Repealed)
- 150.460 Tax Collection Brackets for a 4¼% Rate of Tax (Repealed)
- 150.465 Tax Collection Brackets for a 4½% Rate of Tax (Repealed)
- 150.470 Tax Collection Brackets for a 4¾% Rate of Tax (Repealed)
- 150.475 Tax Collection Brackets for a 5% Rate of Tax (Repealed)
- 150.480 Tax Collection Brackets for a 5⅛% Rate of Tax (Repealed)
- 150.485 Tax Collection Brackets for a 5¼% Rate of Tax (Repealed)
- 150.490 Tax Collection Brackets for a 5½% Rate of Tax (Repealed)
- 150.495 Tax Collection Brackets for a 5¾% Rate of Tax (Repealed)
- 150.500 Tax Collection Brackets for a 6% Rate of Tax (Repealed)
- 150.505 Optional 1% Schedule (Repealed)
- 150.510 Exact Collection of Tax Required When Practicable
- 150.515 Prohibition Against Retailer's Representing That He Will Absorb The Tax

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- 150.520 Display of Tax Collection Schedule (Repealed)
- 150.525 Methods for Calculating Tax on Sales of Items Subject to Differing Tax Rates (Repealed)

SUBPART E: RECEIPT FOR THE TAX

- Section
- 150.601 Requirements

SUBPART F: SPECIAL INFORMATION FOR TAXABLE USERS

- Section
- 150.701 When and Where to File a Return
- 150.705 Use Tax on Items that are Titled or Registered in Illinois
- 150.710 Procedure in Claiming Exemption from Use Tax
- 150.715 Receipt for Tax or Proof of Exemption Must Accompany Application for Title or Registration
- 150.716 Display Certificates for House Trailers (Repealed)
- 150.720 Issuance of Title or Registration Where Retailer Fails or Refuses to Remit Tax Collected by Retailer from User
- 150.725 Direct Payment of Tax by User to Department on Intrastate Purchase Under Certain Circumstances
- 150.730 Direct Reporting of Use Tax to Department by Registered Retailers

SUBPART G: REGISTRATION OF OUT-OF-STATE RETAILERS

- Section
- 150.801 When Out-of-State Retailers Must Register and Collect Use Tax
- 150.802 Trade Show Appearances
- 150.803 Wayfair Nexus – Nexus Without Physical Presence – Provisions Controlling from October 1, 2018 through December 31, 2020
- 150.804 Marketplace Facilitators – Provisions Controlling from January 1, 2020 through December 31, 2020
- 150.805 Voluntary Registration by Certain Out-of-State Retailers
- 150.810 Incorporation by Reference

SUBPART H: RETAILERS' RETURNS

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Section	
150.901	When and Where to File
150.905	Deduction for Collecting Tax
150.910	Incorporation by Reference
150.915	Itemization of Receipts from Sales and the Tax Among the Different States from Which Sales are Made into Illinois

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AND ADMINISTRATIVE PROCEDURES

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150.1001	General Information

SUBPART J: TRADED-IN PROPERTY

Section	
150.1101	General Information

SUBPART K: INCORPORATION OF ILLINOIS
RETAILERS' OCCUPATION TAX REGULATIONS BY REFERENCE

Section	
150.1201	General Information

SUBPART L: BOOKS AND RECORDS

Section	
150.1301	Users' Records
150.1305	Retailers' Books and Records
150.1310	Use of Signs to Prove Collection of Tax as a Separate Item
150.1315	Consequence of Not Complying with Requirement of Collecting Use Tax Separately From the Selling Price
150.1320	Incorporation by Reference

SUBPART M: CLAIMS TO RECOVER ERRONEOUSLY PAID TAX

Section	
150.1401	Claims for Credit – Limitations – Procedure

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150.1405	Disposition of Credit Memoranda by Holders Thereof
150.1410	Refunds
150.1415	Interest
150.1420	Verified Credit

150.TABLE A Tax Collection Brackets

AUTHORITY: Implementing the Use Tax Act [35 ILCS 105] and authorized by Sections 2505-90 and 2505-795 of the Department of Revenue Law [20 ILCS 2505].

SOURCE: Adopted August 1, 1955; amended at 4 Ill. Reg. 24, p. 553, effective June 1, 1980; amended at 5 Ill. Reg. 5351, effective April 30, 1981; amended at 5 Ill. Reg. 11072, effective October 6, 1981; codified at 6 Ill. Reg. 9326; amended at 8 Ill. Reg. 3704, effective March 12, 1984; amended at 8 Ill. Reg. 7278, effective May 11, 1984; amended at 8 Ill. Reg. 8623, effective June 5, 1984; amended at 11 Ill. Reg. 6275, effective March 20, 1987; amended at 14 Ill. Reg. 6835, effective April 19, 1990; amended at 15 Ill. Reg. 5861, effective April 5, 1991; emergency amendment at 16 Ill. Reg. 14889, effective September 9, 1992, for a maximum of 150 days; amended at 17 Ill. Reg. 1947, effective February 2, 1993; amended at 18 Ill. Reg. 1584, effective January 13, 1994; amended at 20 Ill. Reg. 7019, effective May 7, 1996; amended at 20 Ill. Reg. 16224, effective December 16, 1996; amended at 22 Ill. Reg. 21670, effective November 25, 1998; amended at 24 Ill. Reg. 10728, effective July 7, 2000; amended at 25 Ill. Reg. 953, effective January 8, 2001; emergency amendment at 25 Ill. Reg. 1821, effective January 16, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 5059, effective March 23, 2001; amended at 25 Ill. Reg. 6540, effective May 3, 2001; amended at 25 Ill. Reg. 10937, effective August 13, 2001; amended at 26 Ill. Reg. 971, effective January 15, 2002; amended at 26 Ill. Reg. 9902, effective June 24, 2002; amended at 27 Ill. Reg. 1607, effective January 15, 2003; emergency amendment at 27 Ill. Reg. 11209, effective July 1, 2003, for a maximum of 150 days; emergency expired November 27, 2003; emergency amendment at 28 Ill. Reg. 15266, effective November 3, 2004, for a maximum of 150 days; emergency expired April 1, 2005; amended at 29 Ill. Reg. 7079, effective April 26, 2005; emergency amendment at 32 Ill. Reg. 8806, effective May 29, 2008, for a maximum of 150 days; emergency expired October 25, 2008; amended at 32 Ill. Reg. 17554, effective October 24, 2008; amended at 32 Ill. Reg. 19149, effective December 1, 2008; amended at 38 Ill. Reg. 20022, effective October 1, 2014; amended at 39 Ill. Reg. 11085, effective July 21, 2015; amended at 40 Ill. Reg. 13471, effective September 12, 2016; amended at 42 Ill. Reg. 15446, effective July 27, 2018; emergency amendment at 42 Ill. Reg. 17247, effective September 11, 2018, for a maximum of 150 days; emergency expired February 7, 2019; amended at 42 Ill. Reg. 23143, effective November 29, 2018;

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amended at 43 Ill. Reg. 13333, effective November 1, 2019; emergency amendment at 44 Ill. Reg. 383, effective December 23, 2019, for a maximum of 150 days; emergency expired May 20, 2020; emergency amendment at 44 Ill. Reg. 577, effective December 27, 2019, for a maximum of 150 days; emergency expired May 24, 2020; amended at 44 Ill. Reg. 14002, effective August 11, 2020; amended at 44 Ill. Reg. 14744, effective August 26, 2020; amended at 46 Ill. Reg. 18162, effective October 25, 2022; amended at 46 Ill. Reg. 18851, effective November 1, 2022; amended at 47 Ill. Reg. 2142, effective January 24, 2023; amended at 47 Ill. Reg. 5781, effective April 4, 2023; amended at 47 Ill. Reg. 6133, effective April 12, 2023; amended at 47 Ill. Reg. 6330, effective April 18, 2023; amended at 48 Ill. Reg. 1950, effective January 18, 2024; amended at 48 Ill. Reg. 6836, effective April 24, 2024; amended at 48 Ill. Reg. 14836, effective September 25, 2024; amended at 49 Ill. Reg. _____, effective _____.

SUBPART G: REGISTRATION OF OUT-OF-STATE RETAILERS

Section 150.801 When Out-of-State Retailers Must Register and Collect Use Tax

- a) A retailer who is registered under the Retailers' Occupation Tax Act need not obtain a separate Certificate of Registration under the Use Tax Act. However, prior to January 1, 2025, a retailer maintaining a place of business in this State ~~who is~~, if not registered under the Retailers' Occupation Tax Act, must apply to the Department for a Certificate of Registration to collect use tax on an application form furnished by the Department. Each such retailer shall list with the Department the names and addresses of all the retailer's agents operating in this State and the location of any and all of the retailer's distribution houses, offices, or other places of business in this State. On and after January 1, 2025, all retailers maintaining a place of business in this State making retail sales to Illinois customers must register under the Retailers' Occupation Tax Act and incur State and local retailers' occupation tax on all retail sales to Illinois customers, including retail sales from locations outside of Illinois.
- b) For a definition of "retailer maintaining a place of business in this State", see Section 150.201 of this Part.
- c) Every retailer maintaining a place of business in this State must act as a use tax collector for this State. Until January 1, 2025, examples ~~Examples~~ of cases in which a retailer will be required to collect and remit use tax though

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not incurring any retailers' occupation tax liability with respect to the transaction are as follows:

- 1) Retailers who have Illinois retail outlets subject to the Retailers' Occupation Tax Act are required to collect and remit use tax; as such, when the retailer ships tangible personal property to a purchaser in Illinois from inventory located outside Illinois via interstate mail that has no connection with the Illinois retail outlets, the retailer must still collect and remit use tax even though such completely interstate mail transactions are not subject to retailers' occupation tax. For tax imposition and sourcing on and after January 1, 2025, see subsection (d).
 - 2) Out-of-State retailers, who have any kind of place of business in Illinois or any kind of order-soliciting or order-taking representative either stationed in Illinois or coming into Illinois from time to time, must collect and remit use tax from Illinois purchasers for use even though the seller is not required to pay retailers' occupation tax when the seller does nothing in Illinois except to solicit orders. For tax imposition and sourcing on and after January 1, 2025, see subsection (d).
- d) On and after January 1, 2025, every retailer maintaining a place of business in this State incurs State and local retailers' occupation tax on all retail sales to Illinois customers, including retail sales from locations outside of Illinois and must continue to act as a Use Tax collector for this State. These retailers are allowed to retain the amount of Use Tax paid to reimburse themselves for their Retailers' Occupation Tax liability incurred on those sales. See 86 Ill. Adm. Code 150.130(b). Examples of cases in which a retailer will be required to collect and remit Use Tax while also incurring State and local retailers' occupation tax liability with respect to the transaction are as follows:
- 1) Retailers maintaining a place of business in this State who have Illinois retail outlets subject to the Retailers' Occupation Tax Act are required to collect and remit Use Tax; as such, when the retailer ships tangible personal property to a purchaser in Illinois from inventory located outside Illinois via interstate mail that has no connection with the Illinois retail outlets, the retailer must collect and remit Use Tax

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and remit State and local retailers' occupation tax at the rate in effect at the Illinois location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser on such mail transactions.

- 2) Retailers maintaining a place of business in this State, who have any kind of place of business in Illinois or any kind of order-soliciting or order-taking representative either stationed in Illinois or coming into Illinois from time to time, must collect and remit Use Tax from Illinois purchasers for use and the retailer is to pay State and local retailers' occupation tax at the rate in effect at the Illinois location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser.

- e) For rules regarding out-of-State retailers without a physical presence in this State prior to January 1, 2021, see Section 150.803, Wayfair Nexus – Nexus without Physical Presence – Provisions Controlling from October 1, 2018, through December 31, 2020. For more information on tax remittance obligations based on economic nexus without physical presence on and after January 1, 2021, see the administrative rules implementing the Leveling the Playing Field for Illinois Retail Act at 86 Ill. Adm. Code Part 131.

(Source: Amended at 49 Ill. Reg. _____, effective _____)

Section 150.802 Trade Show Appearances

- a) Except as provided in subsection (c), the presence of ~~a remote retailer~~ ~~an out-of-State retailer~~ or its representative in Illinois to engage in trade show activities brings that retailer within the definition found in Section 2 of the Use Tax Act of a "retailer maintaining a place of business in this State". As a result, the retailer is required to register with the Department and collect and remit Use Tax on all sales to Illinois purchasers. On and after January 1, 2025, all retailers maintaining a place of business in this State making retail sales to Illinois customers must register under the Retailers' Occupation Tax Act and incur State and local retailers' occupation tax on all retail sales to Illinois customers from locations outside of Illinois.

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- b) Beginning January 1, 2021, remote retailers that meet a tax remittance threshold set out in 86 Ill. Adm. Code 131.115 and that qualify under the safe harbor provisions established in subsection (c) do not have physical presence. As a result, such a remote retailer is required to register with the Department and remit all applicable State and local retailers' occupation taxes on all sales to Illinois purchasers. However, on and after January 1, 2025, remote retailers that meet a tax remittance threshold must register with the Department and remit all applicable State and local retailers' occupation taxes on all sales to Illinois purchasers regardless of whether they qualify under the safe harbor provisions established in subsection (c).
- c) Safe Harbor – Requirements. The presence in Illinois of a remote retailer for purposes of engaging in trade show activities will not result in the determination that the retailer has physical presence if the retailer meets each of the following 3 conditions:
- 1) The retailer attends no more than 2 Illinois trade shows during the preceding 12-month period.
 - 2) The retailer is physically present at those 2 Illinois trade shows for an aggregate total of no more than 8 days during the preceding 12-month period. For purposes of calculating the 8 days, the Department will apply the following criteria:
 - A) Days during which a retailer is present in Illinois but is not engaged in activity related to the trade show will not count toward the 8-day limit. For example, a retailer arrives in Illinois on the day before a trade show begins and stays in a hotel the night before the trade show. The day before the trade show begins will not count as one of the 8 days. Similarly, if a retailer stays in Illinois as a tourist for 3 days after the trade show, those 3 days will not count toward the 8 days.
 - B) It does not matter whether the retailer has one representative at the Illinois trade show or more than one representative at the Illinois trade show. In both situations, each day of the trade show only counts as one of the 8 days.

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- C) Any portion of a day that a retailer is physically present at an Illinois trade show counts as a whole day. For example, if the only representative at the trade show leaves the trade show after one hour, that hour counts as a whole day.
 - D) Days spent setting up displays prior to a trade show and days spent tearing down displays after a trade show do not count toward the 8 days.
- 3) Combined gross receipts from sales made subject to Retailers' Occupation Tax at all Illinois trade shows during the preceding 12-month period do not exceed \$10,000 (see subsection (f)).
- d) For purposes of this Section, a representative need not be an agent. It does not matter that a representative may engage in business on his or her own account in other transactions, nor that he or she may act as a representative for other persons in other transactions. Similarly, it does not matter that a representative is not an employee but is an independent contractor acting as a representative. The term "representative" is broader than the term "employee" and includes anyone acting under the seller's authority.
 - e) "Trade show activity" means any activity, traditionally conducted at conventions, trade shows or similar meetings, whose purpose is, in whole or part, to create, maintain or enhance a business market in Illinois. "Trade show activity" includes activities to attract persons in an industry generally, as well as members of the public, to the trade show for the purpose of displaying industry products or to stimulate interest in and demand for industry products or services, or to educate persons engaged in the industry in the development of new products and services.
 - f) Sales made by retailers at an Illinois trade show are subject to Retailers' Occupation Tax, including applicable local taxes, regardless of whether the retailer falls within the safe harbor for Use Tax collection or of the amount of gross receipts from sales at the trade show. For rules regarding liability for Retailers' Occupation Tax and applicable local taxes, see 86 Ill. Adm. Code 270.115. Retailers making retail sales at Illinois trade shows must be registered under the Retailers' Occupation Tax Act and must file all returns required under that Act (see 86 Ill. Adm. Code 130.501). [Remote Out-of-State retailers who have not met a tax remittance threshold set out in 86 Ill. Adm.](#)

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[Code 131.115](#) that are subject to retailers' occupation tax as a result of sales of tangible personal property made at trade shows may comply with their return and payment obligations by completing a Special Event Tax Collection Report and Payment Coupon Form. Event coordinators generally distribute this form to event participants; if they fail to do so, however, retailers may contact the Department directly to obtain this form. The Special Event Tax Collection Report and Payment Coupon Form may only be utilized by retailers attending no more than 2 trade shows for an aggregate total of no more than 8 days during any calendar year. Retailers exceeding this limit must register with the Department and file returns on a regular basis.

- g) EXAMPLE 1: An athletic clothing and shoe retailer located outside Illinois maintains a display booth at a sports and fitness exposition that runs for 2 days immediately prior to the Chicago Marathon. Attendance at the expo is the only activity of the retailer in Illinois during the previous 12 months. At the expo, the retailer displays new merchandise to race participants, provides information to local athletic stores regarding its product line, and distributes promotional materials such as t-shirts, hats, and other gear. The retailer also makes sales at the expo totaling \$20,000. Presence at the expo creates nexus for the retailer. While the retailer only attends one trade show for less than 8 days, its sales total more than \$10,000. As a result, the retailer has not met all 3 requirements necessary for safe harbor. [Prior to January 1, 2025, its](#) presence at the expo requires it to collect Use Tax on sales made into Illinois from its out-of-State location. [Additionally, on and after January 1, 2025, its presence at the expo requires the retailer to remit State and local retailers' occupation tax on sales made into Illinois from its out-of-State location.](#) As explained in subsection (f), all sales (\$20,000) made at the trade show by the retailer are subject to Retailers' Occupation Tax.

EXAMPLE 2: An out-of-State flooring manufacturer [who has not met a tax remittance threshold set out in 86 Ill. Adm. Code 131.115](#) attends 2 trade shows in Illinois each year for the purpose of exhibiting its products to builders, contractors, and the general public. Seven employees of the manufacturer attend each show and are physically present for a combined total of 10 days. The employees are present for 2 of the 10 days for purposes of setting up and tearing down displays. No sales are made at the trade shows. The manufacturer's attendance at the trade shows meets all 3 requirements for safe harbor. Consequently, the manufacturer [has not](#)

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established physical presence in Illinois through its trade show activity and is not considered a retailer maintaining a place of business in this State. As such, the manufacturer is not required to collect Use Tax and does not incur retailers' occupation tax liability on sales into Illinois from its out-of-State location.

EXAMPLE 3: ~~A remote~~~~An out-of-State~~ retailer holds its annual management meeting in Chicago. The purpose of the meeting is to provide orientation for new managers, instruct managers about new company policies and procedures, and conduct team building exercises. The purpose of the annual meeting is not to create, maintain or enhance a business market in Illinois. Consequently, the meeting does not constitute a trade show, and the retailer's presence in Illinois for these purposes does not create tax collection or remittance obligations.

EXAMPLE 4: A tech company developing mobile voting apps using blockchain technology sends 3 interns to Chicago to attend a trade show. While there, they talk to different vendors about new developments in the field. The tech company is not engaging in "trade show activities" merely by sending interns as visitors to the trade show.

EXAMPLE 5: Company A sends a representative to a trade show to present a seminar promoting the benefits and upcoming availability of its newest biotech product. Presentation of the seminar constitutes a trade show activity, and if other activities of Company A fall outside the safe harbor rules in subsection (c), nexus for ~~tax~~~~Use Tax~~ collection and remittance is established.

EXAMPLE 6: Company Z hosts a booth at a trade show. It displays its products, answers inquiries about the products and collects orders for the products that will be finalized and fulfilled several weeks later at its corporate headquarters in New York. Company Z's activities constitute trade show activities and if its other activities fall outside the safe harbor rules in subsection (c), nexus for ~~tax~~~~Use Tax~~ collection and remittance is established.

(Source: Amended at 49 Ill. Reg. _____, effective _____)

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Section 150.1305 Retailers' Books and Records

- a) *Every retailer required or authorized to collect taxes under the Act and every person using in this State tangible personal property purchased at retail from a retailer shall keep such records, receipts, invoices and other pertinent books, documents, memoranda and papers as the Department shall require, in such form as the Department shall require. For purposes of this Section, "records" means all data maintained by the taxpayer, including data on paper, microfilm, microfiche or any type of machine-sensible data compilation. [See 86 Ill. Adm. Code 130 Subpart H for books and records requirements for retailers.](#)*
- b) *For the purpose of administering and enforcing the provisions hereof, the Department, or any officer or employee of the Department designated, in writing, by the Director thereof, may hold investigations and hearings concerning any matters covered herein and may examine any books, papers, records, documents or memoranda of any retailer or purchaser bearing upon the sales or purchases of tangible personal property, the privilege of using which is taxed under the Act, and may require the attendance of such person or any officer or employee of such person, or of any person having knowledge of the facts, and may take testimony and require proof for its information.*
- c) *Any person who fails to keep books and records or fails to produce books and records for examination, as required by this Section, is liable to pay to the Department, for deposit into the Tax Compliance and Administration Fund, a penalty of \$1,000 for the first failure to keep books and records or produce books and records for examination and a penalty of \$3,000 for each subsequent failure to keep books and records or produce books and records for examination as required by this Section. The penalties imposed under this Section shall not apply if the taxpayer shows that the taxpayer acted with ordinary business care and prudence. [35 ILCS 105/11] (See also 86 Ill. Adm. Code 130.801).*
- d) *If a retailer is required or authorized to collect use tax, the retailer's records must show that the retailer collects such tax in accordance with the brackets prescribed in TABLE A of this Part and that the retailer states such tax separately to the purchaser from the selling price of the tangible personal*

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property which the retailer is selling, unless the Department finds that it is not possible, under the facts of the case, for the retailer to collect the tax from the purchaser as a separate item from the selling price.

- e) The retailer can prove compliance with the requirement of stating the use tax as a separate item from the selling price by showing the tax separately on invoices or sales tickets that are issued to the retailer's customers, by having the tax shown separately from prices on a copy of the cash register tape, or, in a proper case as explained hereinafter, by publicly posting an appropriate sign. The sign procedure described subsequently in this [RuleRegulation](#) may not be relied upon to prove collection of the tax by the retailer from the retailer's customers as a separate item in types of transactions in which such retailer does issue invoices or sales tickets to customers. For this purpose, a credit card receipt is not construed to come within the terms of "invoices" or "sales tickets" as used in this [RuleRegulation](#).

(Source: Amended at 49 Ill. Reg. _____, effective _____)