



Registration Examples for Marketplace Facilitator Leveling the Playing Field for Illinois Retail

These examples are designed to help marketplace facilitators who are making sales into Illinois determine how they should register with the Illinois Department of Revenue. See the [Resource Page for “Leveling the Playing Field for Illinois Retail”](#) for more information.

EXAMPLE 1: *Carabibi*, a social media network, provides a forum in which persons using the network can buy and sell used tangible personal property. *Carabibi* functions solely as an advertising platform bringing buyers and sellers together. Once the buyer and seller have contacted each other over the network, they must negotiate the sale and make payment arrangements themselves. While the forum provided by *Carabibi* constitutes a marketplace, *Carabibi* is not considered a marketplace facilitator because it does not collect payment from the customer and transmit that payment to the marketplace seller.

EXAMPLE 2: *Paymate* is a payment processing business appointed by merchants to handle payment transactions from various channels, such as credit cards and debit cards. Its sole activity with respect to marketplace sales is to handle financial transactions between two parties on the marketplace. *Paymate* is not a marketplace facilitator because it does not list or advertise for sale by the marketplace seller in a marketplace, tangible personal property that is subject to tax under the Retailers' Occupation Tax Act.

EXAMPLE 3: *CouponCrowd* operates an online platform that sells coupons that can be redeemed by purchasers at various retail stores that have contracted with *CouponCrowd* to promote their businesses. *CouponCrowd* lists the coupons for sale, sells the coupons to purchasers, and processes payment for the purchase of the coupons. *CouponCrowd* is not a marketplace facilitator. The sale of a coupon is the sale of an intangible, not the sale of tangible personal property. Marketplace facilitators must engage in facilitating sales of tangible personal property.

EXAMPLE 4: *Visualeyes This* operates a specialized online marketplace that sells various brands of contact lenses to purchasers. *Visualeyes This* makes purchases for resale from various suppliers of the contact lenses offered for sale on its marketplace. Its marketplace does not indicate to purchasers using the marketplace that the sales are made on behalf of any identified marketplace sellers. In this example, *Visualeyes This* is not a marketplace facilitator. It is simply an online retailer making its own sales of contact lenses. Its tax liability will depend on its activities.

EXAMPLE 5: *Mandameal.com* is an online and mobile food-ordering and delivery service that enters into over 200 transactions with Illinois purchasers. It contracts with a variety of partner restaurants by advertising meals available for purchase from partner restaurants; it also offers delivery service for the food orders. Customers place food orders using the *Mandameal.com* app or through its online website. *Mandameal.com* accepts payments from customers, completes the orders with the restaurants, and transmits payment on a regular basis to the restaurants. *Mandameal.com* engages in activities that make it a marketplace facilitator. *Mandameal.com* is required to register with IDOR and remit Retailers' Occupation Tax, including applicable local taxes, on sales made on its marketplace on behalf of partner restaurants. State and local retailers' occupation taxes are incurred at the rate in effect at the delivery location of the purchaser. For example, if the food order is delivered to a customer address, *Mandameal.com* incurs State and local retailers' occupation taxes in effect at the location where the order is delivered. If the order is picked up at the restaurant, however, *Mandameal.com* incurs State and local retailers' occupation taxes in effect at the restaurant location.

EXAMPLE 6: *CanineCorner.com* is a marketplace that sells dog gear. Its gross receipts from sales to Illinois purchasers are over \$100,000. *Ponchos for Pooches.com* decides to sell its rain gear over this marketplace. Some of the inventory *Ponchos for Pooches.com* sells over the marketplace is fulfilled from its manufacturing plant in Portland, Oregon, while other sales are fulfilled from its warehouse in Kankakee, Illinois. *CanineCorner.com* incurs Retailers' Occupation Tax, including all applicable local retailers' occupation taxes, for all sales of rain gear made over the marketplace on behalf of *Ponchos for Pooches.com*. Tax on all sales, both those fulfilled from Portland, Oregon and from the Kankakee, Illinois warehouse, is incurred 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.

EXAMPLE 7: *Antiquities, Inc.* is an auction house located in Edwardsville, Illinois. All of its auctions and all of its selling activities occur in Edwardsville, Illinois. It enters into agreements with individuals wanting to sell items at a weekly, in-person auction. A week before the auction, *Antiquities, Inc.* advertises the items that will be sold in an online posting. Once an item is sold, *Antiquities, Inc.* collects payment from the purchaser and pays the original owner of the item sold, minus an agreed-upon commission. *Antiquities, Inc.* is a marketplace facilitator operating a marketplace. Provided that it meets either of the marketplace facilitator tax remittance thresholds, it is required to remit State and local retailers' occupation taxes on all sales made through the marketplace. If purchasers take possession of the items sold in the auction house in Edwardsville, State and local retailers' occupation taxes are incurred at the rate in effect at the location of the auction house in Edwardsville. If the items sold are shipped to a purchaser in Chicago, State and local retailers' occupation taxes are imposed at the rate in effect at the auction house in Edwardsville, since all its selling activities occur at this location. If the items sold are shipped to purchasers in California by *Antiquities, Inc.* and all the other requirements of 86 Ill. Adm. Code [130.605](#) are met, no State and local retailers' occupation taxes are incurred, because this is an exempt sale into interstate commerce.

EXAMPLE 8: *Seconds for Less* is an upscale resale shop in Evanston, Illinois. It buys and sells gently used clothing for children and adults. After inspecting the clothing offered by an individual for sale, it pays the individual, either in cash or with store credit, for the clothing it wishes to purchase. The clothing is then cleaned, pressed, and displayed for sale. In this example, *Seconds for Less* is not operating a marketplace and is not a marketplace facilitator because it owns the clothing it offers for sale.