

Sales of service, where tangible personal property is transferred incident to the service, are not exempt from taxation. Servicepersons must calculate their tax liability using one of the four methods prescribed in 86 Ill. Adm. Code Part 140. (This is a GIL).

February 24, 2026

NAME
COMPANY
ADDRESS
EMAIL

Dear NAME:

This letter is in response to your letter dated November 10, 2025, 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 <https://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:

Pursuant to 2 Ill. Adm. Code 1200.110, COMPANY, doing business as COMPANY ("COMPANY"), respectfully submits this request for a Private Letter Ruling (PLR) regarding the Illinois sales and use tax treatment of specific medically supervised treatments, wellness services, products, and bundled memberships offered at our MedSpa located at ADDRESS. This request concerns whether specific medically supervised treatments, wellness services, and product sales are subject to the Retailers' Occupation Tax Act (35 ILCS 120/1 et seq.) and related regulations (86 Ill. Adm. Code Part 130). All facts provided herein are complete and accurate, and we certify compliance with the PLR procedures under 2 Ill. Adm. Code 1200.100.

Statement of Facts

COMPANY operates a wellness-based MedSpa providing medically supervised treatments and wellness services. Licensed Nurse Practitioners will administer all prescription-based services. Our location opened in DATE and serves adult clients seeking hormone therapy, aesthetic treatments, wellness therapies, and related products. All prescription-based injectables and therapies are administered exclusively by licensed Nurse Practitioners in a clinical setting, with no tangible personal property transferred for off-site use unless separately sold as retail products. Key operational details:

- **Staffing and Administration:** All hormone therapies, Botox, dermal fillers, IV therapies, and weight-loss medications are prescribed and administered by licensed Nurse Practitioners. Non-prescription services such as Hydrafacials and skin peels are performed by licensed estheticians under Nurse Practitioner supervision. Related consultations are conducted by licensed Nurse Practitioners.
- **Invoicing Practices:** All invoices are itemized to separately state charges for professional services, any incidental tangible personal property (such as serums used in procedures), and retail products. For example, a Botox session invoice lists: “Professional Administration Service” (non-taxable) and “Botox Units (Rx)” (incidental tangible personal property). Bundled memberships itemize components to distinguish taxable and non-taxable elements. Records are maintained to track cost price of tangible personal property for any applicable Service Occupation Tax calculations.
- **Memberships:** Offered as monthly plans including: initial hormone consultation, semi-annual lab assessments, customized hormone optimization and treatment plan, and discounts on other services and products. Memberships do not include automatic tangible personal property transfers; members pay separately for any products or incidental tangible personal property.
- **Sales Volume and De Minimis Status:** Based on projections, annual gross receipts from services will exceed DOLLAR AMOUNT, with tangible personal property transferred incident to services comprising less than PERCENTAGE of total receipts (primarily from aesthetic procedures). We intend to register as

a de minimis serviceman under Service Occupation Tax if applicable.

- Location-Specific Taxes: Sales occur in CITY (COUNTY County), with applicable local taxes (such as approximately %%% municipal Retailers' Occupation Tax, subject to confirmation). No on-site food consumption facilities exist; all nutraceuticals/supplements are sold for off-premises consumption.
- A La Carte Offerings: Include hormone therapies (such as Testosterone Therapy), aesthetic services (such as Hydrafacial), wellness therapies (such as IV Therapy), and retail products (such as vitamins).
- Specific Offerings by Category:
 1. Hormone-Based Therapies and Related Services: Hormone Optimization Plans (Rx), Testosterone Therapy, Female Hormone Replacement Therapy (HRT), Bioidentical Hormone Replacement Therapy, Hormone Nutraceuticals (if Rx-ties), Hormone Consultations.
 2. Aesthetic Medical Services: Botox Injections (Rx), Dermal Fillers (such as Juvederm, Sculptra) (Rx), Hydrafacial, Skin Peels, Hair Restoration, Microneedling, Body Contouring / CoolSculpting, EMSculpt NEO, Cooltone.
 3. Wellness-Based Therapy Services: IV Therapy, Red Light Therapy Bed, Hyperbaric Oxygen Therapy, NAT+ Therapy.
 4. Nutraceuticals, Vitamins, and Supplements: Serotonin Nutraceuticals, Weight Control Nutraceuticals, Aesthetic Nutraceuticals, Immunity Nutraceuticals, Therapeutic-Grade Vitamins, Retail Skin Care Products.
 5. Weight Control and Exercise Services: Weight Loss Plans, Muscle Development Programs, Exercise and Nutrition Guidance, Weight Loss Medication (Rx).

6. Lab Testing and Consultations: Monthly Lab Panels, Initial Medical Consultations, Hormone and Wellness Assessments.

This request builds on the general guidance in the DATE GIL (Exhibit B), seeking binding rulings for our specific facts. Questions Presented Based on our particular fact situation:

1. Are hormone-based therapies (such as Testosterone Therapy, Female HRT) non-taxable when prescribed and administered by licensed Nurse Practitioners, with any tangible personal property (such as hormones) incidental to the service?
2. Are related hormone consultations non-taxable pure services?
3. Are aesthetic medical services (such as Botox Injections, Dermal Fillers) non-taxable when Rx-based and administered by Nurse Practitioners, versus taxable for non-Rx cosmetic procedures (such as Hydrafacials, Skin Peels) involving tangible personal property?
4. Does the use of topical serums, creams, or equipment in aesthetic procedures create a taxable event under Retailers' Occupation tax or Service Occupation Tax?
5. Are wellness therapies (such as IV Therapy, Red Light Therapy) non-taxable services when no separate tangible personal property is transferred beyond incidental use?
6. Do nutraceuticals, vitamins, and supplements qualify for the 1% reduced rate as "food for human consumption" under 35 ILCS 120/2-10 when sold for off-premises use?
7. How should taxation apply to retail skin care products?
8. Are weight control services (such as Weight Loss Plans with Rx medications) non-taxable, and how should taxation apply if bundled with supplements?
9. Are lab testing and consultations non-taxable pure services?

10. For bundled memberships, if itemized, do non-taxable components remain exempt?
11. When applicable, should Service Occupation Tax be calculated on cost price of incidental tangible personal property (as de minimis serviceman), and at what rates (including local)?
12. Confirm effective date of any changes (such as food exemption starting January 1, 2026).

Relevant Law

- Retailers' Occupation Tax Act (35 ILCS 120/1 et seq.), including 35 ILCS 120/2-10 (reduced rate for food, drugs, and medical appliances).
- Service Occupation Tax Act (35 ILCS 115/1 et seq.).
- 86 Ill. Adm. Code 130.101 (general Retailers' Occupation Tax application); 130.310 (food and drug taxability); 130.311 (medical appliances and services); 130.1920 (barbers, cosmetologists, and similar operators – taxable cosmetic services); 140.101 et seq. (Service Occupation Tax methods).
- Amendments per P.A. 103-781 (food exemption effective January 1, 2026).

Taxpayer's Analysis and Understanding Informed by the DATE GIL:

1. **Hormone-Based Therapies and Related Services:** These treatments involve prescription drugs administered by licensed Nurse Practitioners in a clinical setting. Based on 86 Ill. Adm. Code 130.311, we believe these are non-taxable services, with any tangible personal property considered incidental and subject to Service Occupation Tax at the provider level. GIL pages 5-6 explain Service Occupation Tax for incidental tangible personal property and de minimis thresholds; page 6 notes pure services are not taxable; pages 6-8 discuss drugs at 1% rate.

2. **Aesthetic Medical Services:** Injectables like Botox and Fillers, administered by prescription, are likely non-taxable under 86 Ill. Adm. Code 130.311. Cosmetic services such as Hydrafacials and Skin Peels that involve tangible personal property are likely taxable under 86 Ill. Adm. Code 130.1920, with Service Occupation Tax on tangible personal property (such as serums) at cost for 50% of bill if not separated. GIL page 5 discusses calculation methods; pages 5-8 on drugs/medical appliances and Service Occupation Tax.
3. **Wellness-Based Therapy Services:** These services are administered by licensed personnel and do not involve a separate sale of tangible personal property. They are not interpreted as non-taxable services per 86 Ill. Adm. Code 130.310. GIL page 6 on pure services not taxable; pages 5-6 on Service Occupation Tax only for incidental tangible personal property.
4. **Nutraceuticals, Vitamins, and Supplements:** These supplements are consumed off-site and are not tied to a prescription. As such, we believe the 1% rate applies under 35 ILCS 120-2-10 and 86 Ill. Adm. Code 130.310. Retail skin care products are taxable at the standard state plus local Retailers' Occupation Tax rate. GIL pages 6-8 on food/drugs; page 8 on non-qualifying items. Potential state exemption post-1/1/2026 for qualifying food per GIL page 7.
5. **Weight Control and Exercise Services:** These are service-based offerings. However, when supplements are included and not itemized separately, the full charge may be taxable. Proper invoicing is essential. Non-taxable services under 86 Ill. Adm. Code 130.310; Rx medications incidental/non-taxable under 130.311. GIL page 6 on pure services; pages 5-8 on Rx meds; pages 6-8 on supplements at 1%; page 5 on bundling.
6. **Lab Testing and Consultations:** These services do not involve the transfer of tangible personal property and are considered non-taxable under 86 Ill. Adm. Code 130.310. GIL page 6 explicitly states pure services not subject to tax.

Overall: As projected de minimis, pay Service Occupation Tax on cost price (including local rates approximately PERCENTAGE in CITY); provide

resale certificates to suppliers per GIL pages 5-6. For bundles/memberships: If taxable and exempt items are bundled into one charge, the entire amount may become taxable. To avoid this, itemized billing is essential per GIL page 5.

Conclusion

We seek confirmation that: prescription-based medical services are non-taxable; cosmetic procedures are taxable with Service Occupation Tax on incidental tangible personal property; nutraceuticals qualify for 1% rate (exempt post-2026); and itemized bundles preserve exemptions. This will guide compliant sales practices. Declaration

I declare that the facts stated in this request are true and correct to the best of my knowledge and belief, and no material facts have been omitted.

DEPARTMENT'S RESPONSE:

The Retailers' Occupation Tax Act imposes a tax upon persons engaged in this State in the business of selling tangible personal property at retail to purchasers for use or consumption. See 86 Ill. Adm. Code 130.101. Use Tax is imposed on the privilege of using, in this State, any kind of tangible personal property that is purchased anywhere at retail from a retailer. See 86 Ill. Adm. Code 150.101. These taxes comprise what is commonly known as "sales tax" in Illinois.

As stated in ST 25-0046-GIL, Retailers' Occupation Tax and Use Tax do not apply to sales of service. Under the Service Occupation Tax Act, businesses providing services (i.e., servicemen) are taxed on tangible personal property transferred as an incident to sales of service. See 86 Ill. Adm. Code 140.101. If there is no tangible personal property being transferred (a pure or standalone service), there is no tax liability as services alone are not taxed in Illinois. A serviceman's liability may be calculated in one of four ways:

- (1) Service Occupation Tax on the separately stated selling price of tangible personal property transferred incident to service;
- (2) Service Occupation Tax on 50% of the serviceman's entire bill;
- (3) Service Occupation Tax on the serviceman's cost price if the serviceman is a registered de minimis serviceman; or
- (4) Use Tax to the supplier on the serviceman's cost price if the serviceman is de minimis and is not otherwise required to be registered under the Retailers' Occupation Tax Act.

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It is the responsibility of the taxpayer to determine their taxability using one of the aforementioned methods, and ST 25-0046-GIL offers more detailed information on how to determine which of the four methods would be best applicable to that serviceman. It is important to note that local tax rates also may be applicable, and vary depending on the tax rate imposed by the local government in a particular jurisdiction. For local tax rates, see the Department's Tax Rate Database and the Tax Rate Finder on the Department's website at www.tax.illinois.gov.

As stated in ST 25-0046-GIL items such as food, prescription and non-prescription medicines, drugs and medical appliances, for human use, are generally subject to tax at a rate of 1% (low-rate). Whether the items are offered via prescription, administered by licensed professionals, involved in either medical or cosmetic services, or are more or less incidental to the sale of service, has no bearing on the taxability of these items. If any of these items are sold at retail to customers, they will be subject to Retailer's Occupation Tax liability. See ST 25-0046-GIL, 35 ILCS 120/2; 86 Ill. Adm. Code 130.101. If any of these items are transferred as an incident to a sale of service, the items will be subject to Service Occupation Tax liability. See ST 25-0046-GIL, 35 ILCS 115/3; 86 Ill. Adm. Code 140.101.

For determining whether certain products would fall under either the low-rate (1%) or the high-rate (6.25%) tax for both Retailers' Occupation Tax and Service Occupation Tax, ST 25-0046-GIL offers a detailed explanation for making those determinations. It is important to note that beginning January 1, 2026, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption) will be exempt from state Occupation and Use taxes. See 35 ILCS 115/3-5(37), 35 ILCS 120/2-5(49), and 35 ILCS 105/3-5(44), as amended by P.A. 103-781. However, it is the responsibility of the taxpayer to determine if their municipality or county has enacted a Municipal or County Grocery Occupation Tax imposing tax on these items at the same rate. See 65 ILCS 5/8-11-24; 55 ILCS 5/5-1006.9; Informational Bulletin FY 2026-03.

I hope this information is helpful. If you require additional information, please visit our website at <https://tax.illinois.gov/> or contact the Department's Taxpayer Information Division at 800-732-8866.

Very truly yours,

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Associate Counsel

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