

Deal-of-the-Day vouchers are intangible personal property. Therefore, sales of Deal-of-the-Day vouchers are not subject to sales tax. See 86 Ill. Adm. Code 130.2125. (This is a GIL).

April 28, 2026

NAME
COMPANY
EMAIL

Dear NAME:

This letter is in response to your letter dated March 18, 2026, 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.

INQUIRY:

I plan to sell digital prepaid golf vouchers online on behalf of the golf courses or golf venues as a marketing agent. The customer would buy a digital voucher on my business website for the deal price and they would receive it instantly by email post purchase. (No physical good) Customer would then book a tee time separately with the golf course and show voucher at check in to be validated and redeemed.

1. Since the golf course is the actual service do I need to charge sales tax on these digital vouchers on my website?

April 28, 2026

2. Can I sell digital prepaid vouchers for items in the golf pro shops? (Golf balls, tees, hats, shirts, etc) Ex. Customer buy on my website a prepaid digital voucher for one sleeve of 3 golf balls for that specific golf course. Then when they go to the golf course they would show voucher and golf balls would be paid for. Pending answer to #1 above, if I don't charge sales tax, does this apply here? Or since it's a physical good at the course then I do charge sales tax? Or can I pass sales tax onto golf course for the balls to be paid by customer at the golf course to the golf course?

DEPARTMENT'S RESPONSE:

The Illinois Retailers' Occupation Tax Act imposes a tax upon persons engaged in this State in the business of selling tangible personal property to purchasers for use or consumption. See 35 ILCS 120/2; 86 Ill. Adm. Code 130.101. In Illinois, 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 35 ILCS 105/3; 86 Ill. Adm. Code 150.101. These taxes comprise what is commonly known as "sales" tax in Illinois. Retailers' Occupation Tax and Use Tax do not apply to sales of service. The Service Occupation Tax Act imposes a tax upon persons engaged in this State in the business of making sales of service, based on tangible personal property transferred incident to sales of service. See 35 ILCS 115/3; 86 Ill. Adm. Code 140.101. Service Use Tax is imposed on the privilege of using, in this State, tangible personal property that is received anywhere as an incident to a purchase of service from a serviceman. See 35 ILCS 110/3; 86 Ill. Adm. Code 160.101.

The Department refers to transactions like the ones you propose as Deal-of-the-Day transactions. In contrast to the retailers selling the tangible personal property or services when the Deal-of-the-Day vouchers are redeemed, the persons engaged in the business of selling vouchers which entitle purchasers to the right to redeem those vouchers for tangible personal property or services are not engaged in selling tangible personal property or services. Rather, they are making sales of intangibles, which are not subject to the Retailers' Occupation Tax, Use Tax, Service Occupation Tax, or Service Use Tax.

Regarding whether the golf course is subject to tax when a voucher is redeemed for a round of golf: in Illinois, the operation of golf courses is considered a service occupation and is not subject to Retailers' Occupation Tax or Use Tax. See 86 Ill. Adm. Code 130.2030(b)(1). Because Service Occupation Tax is a tax on the transfer of tangible personal property incident to a sale of service, charges for a round of golf not involving the transfer of any tangible personal property are not subject to Service Occupation Tax or Service Use Tax. Therefore, a Deal-of-the-Day voucher for a service, such as a round of golf, is not subject to tax either at the point sale of the voucher or when redeemed for the service.

The analysis is different for a Deal-of-the-Day voucher for an item of tangible personal property, e.g., a sleeve of golf balls. The Retailers' Occupation Tax is imposed "at the rate of 6.25% of the gross receipts from sales of tangible personal property made in the course of business." "Gross receipts" means "the total selling price or the amount of such sales, as hereinbefore defined." See 35 ILCS 120/1. "Selling price or the amount of sale" means "the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property, other as hereinafter provided, and services . . . 'Selling price' shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever." See 35 ILCS 120/1.

When Deals-of-the-Day involve vouchers redeemable for tangible personal property (e.g., golf balls), the sale of the voucher by the Deal-of-the-Day seller is still a non-taxable sale of intangibles. However, the redemption of the voucher at the retailer is a taxable transaction, because it involves the sale of tangible personal property. Therefore, when a customer presents a voucher entitling them to some piece of tangible personal property to a retailer, like a sleeve of golf balls, a hat, etc., that transaction is subject to Retailers' Occupation Tax. The tax base of such transactions is determined based on whether the retailer knows how much the customer paid for the voucher. If the retailer knows how much the customer paid for the voucher, then tax is charged based on that amount. If the retailer does not know how much the customer paid for the voucher, then tax must be charged based on the full value of the voucher. For example, if a seller sells a voucher for a sleeve of golf balls to a customer for \$5.00, and the golf course knows that is what the customer paid for the voucher, then the golf course pays Retailers' Occupation Tax and charges the customer Use Tax on \$5.00, regardless of the price the golf course would otherwise charge for the sleeve of golf balls. However, if the facts are the same, except the golf course does not know how much the customer paid for the voucher, then the golf course pays Retailers' Occupation Tax and charges the customer Use Tax on the price they would normally charge for the sleeve of golf balls, because the voucher is treated the same as a customer presenting any other form of payment for the sleeve of golf balls. There are no circumstances under which the Deal-of-the-Day seller is required to collect or remit tax on sales of vouchers.

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,

COMPANY/NAME

Page 4

April 28, 2026

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