



Illinois Department of Revenue

Illinois Sales & Use Tax Matrix – Introduction

Illinois has several types of taxes which are collectively referred to as “sales tax.” 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 [35 ILCS 120/1, et seq.](#)). Illinois Use Tax is imposed on the privilege of using, in this State, any kind of tangible personal property purchased anywhere at retail from a retailer (see [35 ILCS 105/1, et seq.](#) and [86 Ill. Adm. Code 150.101](#)). In addition, local retailers' occupation taxes are authorized by statute and administered by the Illinois Department of Revenue (IDOR). There are, however, no local use taxes on general merchandise administered by IDOR.

A “retailer maintaining a place of business in this State,” that is located outside of this State and that has nexus, is required to register with IDOR to collect and remit use tax on purchases made by Illinois purchasers. Until October 1, 2018, an out of state retailer established nexus through a physical presence in Illinois (see [35 ILCS 105/2](#)). Effective October 1, 2018, and through December 31, 2020, out of state retailers without a physical presence meeting certain economic or transactional thresholds fell within the definition of a “retailer maintaining a place of business in this state” and were required to register with IDOR to collect and remit Illinois Use Tax on sales to Illinois purchasers (see [Public Act 100-0587](#) and [86 Ill. Adm. Code 150.803](#)). Effective January 1, 2020, through December 31, 2020, marketplace facilitators meeting certain economic or transactional thresholds fell within the definition of a “retailer maintaining a place of business in the state” and were required to register as a marketplace facilitator with IDOR to collect and remit Illinois Use Tax on sales to Illinois purchasers made through the marketplace on behalf of marketplace sellers and on its own sales (see Public Acts [101-0009](#) and [101-0604](#) and [86 Ill. Adm. Code 150.804](#)). If a marketplace facilitator, marketplace seller, or out of state retailer makes sales to Illinois purchasers from inventory in Illinois or otherwise engages in the occupation of selling tangible personal property in Illinois, then they will be required to remit Illinois Retailers' Occupation Tax (ROT) and applicable local retailers' occupation taxes on those sales. Effective January 1, 2021, Public Acts [101-31](#) and [101-604](#) (Leveling the Playing Field for Illinois Retail Act) implemented a series of structural changes to the Illinois sales tax laws that changed the liabilities of many types of retailers, as follows:

- A. Remote retailers (*i.e.*, retailers with no physical presence in Illinois who meet certain economic or transactional thresholds) incur state and local retailers' occupation tax using destination sourcing for sales made to Illinois purchasers. A marketplace seller that makes sales over a marketplace that meets either of the tax remittance thresholds and makes sales outside of that marketplace may also be considered a remote retailer.
- B. Marketplace facilitators incur state and local retailers' occupation tax using destination sourcing for sales made over the marketplace on behalf of marketplace sellers to Illinois purchasers.
- C. Marketplace facilitators incur state and local retailers' occupation tax using origin sourcing for their own sales that are either fulfilled from inventory located in Illinois or for which selling activities otherwise occur in Illinois (see [86 Ill. Adm. Code 270.115](#)) and they incur state and local retailers' occupation tax using destination sourcing for all of its other sales.
- D. Out-of-state sellers with a physical presence in Illinois incur a use tax collection obligation for sales they make outside Illinois and ship or deliver to Illinois purchasers. However, these sellers incur state and local retailers' occupation taxes using origin sourcing for sales for which their selling activities occur in Illinois (see [86 Ill. Adm. Code 270.115](#)). If such sellers also make sales over a marketplace, they are considered marketplace sellers and the marketplace facilitator will incur state and local retailers' occupation tax liability based on destination sourcing for these sales.
- E. Illinois retailers, including brick and mortar retailers, incur no state or local retailers' occupation taxes for sales made over a marketplace when the marketplace facilitator assumes the state and local retailers' occupation tax liability based on destination sourcing.
- F. Illinois retailers, including brick and mortar retailers, incur state and local retailers' occupation taxes based on origin sourcing for sales made in Illinois.

In using this matrix, the presumption is that tangible personal property is taxable unless there is an exemption. Most of the exemptions from tax are use-based (*e.g.*, conditioned on the purchaser using the tangible personal property in a specific manner). A few items are exempt based on the nature of product (*e.g.*, feminine hygiene products). Other exemptions are based on the status of the purchaser (*e.g.*, charitable, religious, and educational organizations). Purchasers claiming a use-based exemption must provide the retailer with required documentation. Status-based exemptions must be documented by providing the retailer with an exemption identification number (“E-number”) issued by IDOR to the exempt entity.

Illinois has two tax rates. The rate for general merchandise is 6.25% (high rate). The preferential rate for qualifying food, drugs, and medical appliances is 1% (low rate). There are numerous locally imposed retailers' occupation taxes on general merchandise administered by IDOR. The only locally imposed retailers' occupation taxes on qualifying food, drugs, and medical appliances administered by IDOR are in transportation districts. There are no local use taxes on general merchandise administered by IDOR. Tax rates are subject to change twice a year on January 1 and July 1. To determine the effective rate of tax for a specific location, use the [Tax Rate Finder](#).

Illinois Sales & Use Tax Matrix – Common Transactions

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1001	Farm machinery and equipment	Exempt		Exempt when used primarily (more than 50% of the time) in production agriculture, see regulation. Valid exemption certificate is required. See Form ST-587 , Equipment Exemption Certificate.	86 Ill. Adm. Code 130.305
1002	Food, sold for consumption off the premises – excluding candy, soft drinks, cannabis-infused foods, and alcohol	Taxable	Low Rate	Food sold for consumption off the premises includes grocery items and packaged foods but does not include candy (see ID 1003), soft drinks (see ID 1004), cannabis-infused foods (see ID 1002.2), and alcohol (see ID 1008). Most food prepared to order for takeout or delivery does not qualify for the low rate (see ID 1002.1). NOTE: Public Act 102-0700 suspends the state 1 percent (1%) low rate of sales and use tax on retail sales of groceries normally taxed at this rate from July 1, 2022, through June 30, 2023. See the Retailer Resources – Groceries, Back-to-School Holiday, Motor Fuel page on our website for more information.	86 Ill. Adm. Code 130.310 and 130.1905
1002.1	Food, sold for consumption on the premises/immediate consumption	Taxable	High Rate	Food sold for consumption on the premises or for immediate consumption includes, but is not limited to, the following: all hot foods, most food prepared to a customer order, drinks prepared for individual consumption, including such food sold for takeout or delivery. Most grocery delivery items qualify for the low rate (see ID 1002).	86 Ill. Adm. Code 130.310
1002.2	Adult use cannabis and cannabis-infused foods	Taxable	High Rate	The reduced rate does not extend to adult use cannabis or food consisting of or infused with adult use cannabis. All adult use cannabis (e.g., cannabis flower, concentrate, cannabis-infused products) is taxed at the high rate.	86 Ill. Adm. Code 130.310
1003	Candy	Taxable	High Rate	Candy is defined as a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.	86 Ill. Adm. Code 130.310
1004	Soft drinks	Taxable	High Rate	Soft drinks are defined as nonalcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice, or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.	86 Ill. Adm. Code 130.310
1005	Drop shipments	Taxable		A retailer having tangible personal property drop shipped from a supplier to an Illinois purchaser would be required to remit tax from that Illinois purchaser. Retailers must provide a valid Certificate of Resale (Form CRT-61) to their Illinois suppliers to document sales for resale. See regulation for further information regarding documentation.	86 Ill. Adm. Code 130.225

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1006	Tangible personal property sold for resale	Non-Taxable		The sale of tangible personal property to a purchaser for the purpose of resale in any form as tangible personal property, to the extent not first subjected to a use for which it was purchased, is not subject to tax. Such sales for resale cannot be made tax-free unless the purchaser (except in the case of an out-of-state purchaser who will always resell and deliver the property to purchasers outside Illinois) has an active registration number or active resale number from IDOR and gives such number to suppliers in connection with certifying to any supplier that any sale to such purchaser is nontaxable because of being a sale for resale. See Form CRT-61 .	86 Ill. Adm. Code 130.210 , 130.215 , and 130.1405
1007	Occasional sales	Non-Taxable		Persons who make isolated or occasional sales of tangible personal property do not incur tax liability. For example, if retailers sell tangible personal property, which they do not normally engage in selling, such as machinery or other capital assets they no longer use in their business and no longer need, they are not required to remit tax. This applies even if they may be required to make a considerable number of sales to dispose of the tangible personal property because persons making such sales are not considered to be in the business of selling tangible personal property at retail. Effective January 1, 2021, all sales made through a marketplace constitute retail sales by the marketplace facilitator and do not qualify as occasional sales.	86 Ill. Adm. Code 130.110 and 131.140
1008	Wine, alcoholic beverages	Taxable	High Rate	Alcohol may not be shipped into Illinois, except for sales of wine by Direct Wine Shippers. Direct Wine Shippers are required to obtain a license from the Illinois Liquor Control Commission to ship into Illinois. Until January 1, 2021, Direct Wine Shippers were required to register with IDOR to collect and remit Illinois Use Tax even if they were below the tax remittance thresholds for the number of transactions or amount of Illinois sales. Effective January 1, 2021, Direct Wine Shippers who meet either of the tax remittance thresholds are required to remit ROT on sales to Illinois purchasers at the destination rate, in addition to any liquor taxes. Direct Wine Shippers who do not meet a threshold must continue to collect and remit Illinois Use Tax.	235 ILCS 5/5-1(r) ; 86 Ill. Adm. Code Part 131 ; 130.310 ; 130.2060 ; and Part 420
1009	Coffee/tea/milk	Taxable	Low Rate	Brewed unsweetened black coffee or tea, and any drinks that contain milk or milk products, soy, rice, or similar milk substitutes are not considered soft drinks and are taxed at the low rate. However, all coffee, tea, cappuccino, or other drinks prepared by the retailer for individual consumption, whether hot or cold, are subject to the high rate of tax. NOTE: Public Act 102-0700 suspends the state 1 percent (1%) low rate of sales and use tax on retail sales of groceries normally taxed at this rate from July 1, 2022, through June 30, 2023. See the Retailer Resources – Groceries, Back-to-School Holiday, Motor Fuel page on our website for more information.	86 Ill. Adm. Code 130.310

Common Transactions

ID*	Description	Taxable	Rate**	Explanation	References
1010	Prescription and nonprescription medicine and drugs	Taxable	Low Rate	<p>Nonprescription and prescription medicines and drugs are subject to the low rate of tax. Nonprescription medicines and drugs that fall within the definition of "grooming and hygiene products" do not qualify for the low rate of tax for medicines and drugs.</p> <p>NOTE: Items that meet the definition under 86 Ill. Adm. Code 130.310 as "food," but that qualify as prescription or nonprescription medicines or drugs do not qualify for the grocery tax suspension under Public Act 102-0700, effective July 1, 2022, through June 30, 2023, and tax remains in effect. See the Retailer Resources – Groceries, Back-to-School Holiday, Motor Fuel page on our website for more information.</p>	86 Ill. Adm. Code 130.311
1010.1	Medical Cannabis	Taxable	Low Rate	<p>Medical cannabis means cannabis and its constituent cannabinoids, such as tetrahydrocannabinol (THC) and cannabidiol (CBD), are used as an herbal remedy or therapy to treat a registered patient's disease or alleviate symptoms. See ID 1010.</p>	410 ILCS 130/1 et seq. 35 ILCS 120/2-10
1011	Dietary supplements	Taxable	Low Rate	<p>Vitamins and supplements are taxable at the low rate.</p> <p>NOTE: Vitamins, supplements, weight gain or weight loss products, and protein powders qualify for the grocery tax suspension under Public Act 102-0700, effective July 1, 2022, through June 30, 2023. However, if any of these items makes a medicinal claim on the label (see discussion of medicines and drugs in PIO-115, Illinois Grocery Tax Suspension Information), then that product is not eligible for the grocery tax suspension. See the Retailer Resources – Groceries, Back-to-School Holiday, Motor Fuel page on our website for more information.</p>	86 Ill. Adm. Code 130.311
1012	Medical appliances	Taxable	Low Rate	<p>A medical appliance is an item that is used to directly substitute for a malfunctioning part of the human body (e.g., restorative breast implants, heart pacemakers, artificial limbs, dental prosthetics, crutches and orthopedic braces, dialysis machines, wheelchairs, mastectomy forms and bras, sleep apnea devices, hearing aids, eyeglasses, contact lenses, and orthodontic braces). Items that do not directly substitute for a malfunctioning part of the human body (e.g., cosmetic breast implants, nebulizers) do not qualify as medical appliances.</p>	86 Ill. Adm. Code 130.311
1013	Medical devices used for cancer treatment with prescription	Taxable	Low Rate	<p>Products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices qualify for the low rate of tax.</p>	86 Ill. Adm. Code 130.311
1014	Diabetic treatment, specified items	Taxable	Low Rate	<p>Insulin, blood sugar testing materials, syringes, and needles used by human diabetics qualify for the low rate of tax.</p>	86 Ill. Adm. Code 130.311

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1015	Feminine hygiene products	Exempt		Tampons, menstrual pads, and menstrual cups are exempt from tax until December 31, 2026.	86 Ill. Adm. Code 130.311
1016	Diapers (infant)	Taxable	High Rate	Baby diapers are taxable at the high rate of tax. See also Grooming and hygiene products (ID 1020).	86 Ill. Adm. Code 130.311
1017	Diapers (adult)	Taxable	High Rate	Adult diapers are taxable at the high rate of tax. See also Grooming and hygiene products (ID 1020).	86 Ill. Adm. Code 130.311
1018	Infant formula	Taxable	Low Rate	Infant formula, whether prescription or not, is food for consumption off the premises and is taxable at the low rate. NOTE: Infant formula is food for consumption off the premises and qualifies for the grocery tax suspension under Public Act 102-0700, effective July 1, 2022, through June 30, 2023. See the Retailer Resources – Groceries, Back-to-School Holiday, Motor Fuel page on our website for more information.	86 Ill. Adm. Code 130.310 and 130.311
1019	Breast pumps, breast pump collection and storage supplies, and breast pump kits	Exempt		Effective July 1, 2022, breast pumps, breast pump collection and storage supplies, and breast pump kits are exempt from Sales and Use tax. See statutory provision and regulations for definition.	35 ILCS 120/2-5(46) and 86 Ill. Adm. Code 130.120
1020	Grooming and hygiene products	Taxable	High Rate	Grooming products include, but are not limited to shampoos and hair products, shaving creams and lotions, deodorants, moisturizers, condoms, baby and adult diapers, and contact lens solution.	86 Ill. Adm. Code 130.311
1021	Graphic arts machinery and equipment used primarily in graphic arts production	Exempt		The graphic arts machinery and equipment exemption is included in the manufacturing machinery and equipment exemption beginning July 1, 2017. "Graphic arts production" means the production of tangible personal property for wholesale or retail sale or lease by means of printing (including ink jet printing). See statutory reference for NAICS codes specifying the exempt types of printing. Graphic arts production does not include (i) the transfer of images onto paper or other tangible personal property by means of photocopying or (ii) final printed products in electronic or audio form, including the production of software or audiobooks. Persons engaged primarily in the business of printing or publishing newspapers or magazines that qualify as newsprint and ink are deemed to be engaged in graphic arts production. See Form ST-587 .	35 ILCS 120/2-5, 2-45, and 120/2-30; and 86 Ill. Adm. Code 130.2000, 130.325, and 130.330

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1022	Manufacturing machinery and equipment	Exempt		Machinery and equipment used primarily (over 50%) in the manufacturing or assembling of tangible personal property for wholesale or retail sale or lease is exempt from tax. Software used to operate exempt manufacturing machinery and equipment used in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease qualifies for the exemption. Production related tangible personal property includes all tangible personal property used or consumed in a production related process by a manufacturer in a manufacturing facility in which a manufacturing process takes place or by a graphic arts producer in graphic arts production qualifies for the exemption. Production related tangible personal property that is used or consumed in research and development regardless of use within or without a manufacturing or graphic arts production facility also qualifies for the exemption. See Form ST-587 .	35 ILCS 120/2-25, 45 and 86 Ill. Adm. Code 130.330
1023	Antiques, curios, artwork	Taxable	High Rate		86 Ill. Adm. Code 130.1910
1024	Collector coins which are legal tender	Exempt		Sale of legal tender, currency, medallions, and gold or silver coinage, issued by the State of Illinois, the government of the United States, or government of a foreign country, and bullion are exempt. Coins incorporated into jewelry are taxable.	86 Ill. Adm. Code 130.1910 and ST-16-0017-GIL
1025	Postage stamps, US, cancelled	Taxable	High Rate		86 Ill. Adm. Code 130.1910
1026	Postage stamps, foreign	Taxable	High Rate		86 Ill. Adm. Code 130.1910
1027	Postage stamps, US, valid, with purchase price of 50% or more of face value	Taxable	High Rate	Uncanceled postage sold for an amount that exceeds the face value of the stamp by 50% or more is subject to tax.	86 Ill. Adm. Code 130.1910
1028	Postage stamps, US, valid, with purchase price of less than 50% of face value	Non-Taxable			86 Ill. Adm. Code 130.1910

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1029	Auctioneers and agents PRIOR to January 1, 2021			<p>In-State Auctioneers and agents If an in-state auctioneer or agent acts for an unknown or undisclosed principal, the auctioneer or agent is deemed to be the seller and is required to remit Retailers' Occupation Tax. If an in-state auctioneer or agent acts on behalf of a disclosed principal, the disclosed principal is considered the seller and is responsible for remitting the tax. In this case, the auctioneer or agent is not responsible for remitting tax, because the disclosed principal is liable for any tax due. For sourcing of sales, see, e.g., 86 Ill. Adm. Code 270.115.</p> <p>Out-of-State Auctioneers and agents Effective January 1, 2020, through December 31, 2020, an out-of-state auctioneer that meets a tax remittance threshold is considered a marketplace facilitator and must collect and remit Use Tax on all sales made to Illinois purchasers. If an out-of-state auctioneer does not meet a tax remittance threshold, it is not considered a marketplace facilitator. An out-of-state auctioneer that does not meet a tax remittance threshold but otherwise has nexus with Illinois, is required collect and remit Use Tax on sales to Illinois purchasers using the disclosed/undisclosed rules of an in-state auctioneer or agent. However, if the item sold is located in Illinois, or if the selling otherwise occurs in Illinois for a transaction, (see, e.g., 86 Ill. Adm. Code 270.115), the out-of-state auctioneer will incur Retailers' Occupation Tax at the rate in effect at the Illinois location of the item, or the location in Illinois where the selling otherwise occurs. Auction sales of tangible personal property that is required to be titled or registered with an agency of this state, including motor vehicles, watercraft, aircraft, and trailers are taxed at registration. See ID 1030 for information auctioneers and agents on and after January 1, 2021.</p>	86 Ill. Adm. Code 130.1915

*ID column is a unique numerical identifier for each item to be used by programmers.
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Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1030	Auctioneers and agents ON and AFTER January 1, 2021			<p>Effective January 1, 2021 – Auctioneers meeting either of the tax remittance thresholds are marketplace facilitators operating a marketplace and, therefore, all their sales are subject to Retailers’ Occupation Tax. Auction sales of tangible personal property that is required to be titled or registered with an agency of this state, including motor vehicles, watercraft, aircraft, and trailers are taxed at registration. If an auctioneer makes a sale on behalf of a marketplace seller that is identified to the purchaser (e.g., a marketplace seller that is disclosed), the auctioneer will incur Retailers’ Occupation Tax at the rate in effect at the location where the tangible personal property is shipped or delivered or at which possession is taken by the purchaser (destination rate). If an auctioneer makes a sale on behalf of a marketplace seller that is not identified to the purchaser on the marketplace (e.g., a marketplace seller that is not disclosed), then, for tax remittance purposes, the auctioneer is considered the seller and is required to file its own return, separate from the returns for sales made by identified marketplace sellers, and pay taxes to IDOR on that sale. In the latter case, if the item sold is located in Illinois, or if the selling otherwise occurs in Illinois for that sale (see, e.g., 86 Ill. Adm. Code 270.115), the auctioneer will incur Retailers’ Occupation Tax at the rate in effect at the Illinois location of the item, or the location in Illinois where the selling otherwise occurs (origin rate). If the item is not located in Illinois and the selling does not otherwise occur in Illinois, the auctioneer will incur Retailers’ Occupation Tax at the rate in effect at the location where the tangible personal property is shipped or delivered or at which possession is taken by the purchaser. Rules at 86 Ill. Adm. Code 130.1915 provide specific guidance on when a marketplace seller is disclosed or undisclosed.</p> <p>Effective August 27, 2021 – The term “marketplace facilitator” does not include any person licensed under the Auction License Act. This exemption does not apply to any person who is an Internet auction listing service, as defined by the Auction License Act.</p> <p>Effective February 1, 2022 – Sales of tangible personal property that is required to be titled or registered with an agency of the State of Illinois, including motor vehicles, watercraft, aircraft, and trailers, that are made over a marketplace to purchasers in Illinois are sourced the same as all other sales made over a marketplace to purchasers in Illinois. See 86 Ill. Adm. Code 131.130(c). For sales made by a marketplace facilitator on behalf of marketplace sellers, taxes apply at the location to which the titled or registered item is shipped or delivered, or the location in Illinois where the purchaser takes possession of the titled or registered item. For a transaction in which an Illinois purchaser travels to an out-of-state location to take possession of an item that is required to be titled or registered with an agency of the State of Illinois, the sale is sourced out of state. In this case, only Use Tax is incurred. See ID 1029 for information on auctioneers and agents prior to January 1, 2021.</p>	86 Ill. Adm. Code 130.1915 and FY 2022-05

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Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1031	Computer software – canned software	Taxable	High Rate	Canned software (pre-written software) which is intended for general or repeated use, regardless of the form in which it is transmitted, including electronic means (e.g., downloaded), is subject to tax. This includes the purchase of mobile apps and games where the purchaser receives software by download. Computer software provided through a cloud-based delivery system – a system in which computer software is never downloaded onto a client's computer and is only accessed remotely – is not subject to tax. Purchases made within software or while playing a game (such as in-app add-ons) are subject to tax and are taxable at the time of purchase.	86 Ill. Adm. Code 130.1935 and ST-21-0008-PLR
1032	Computer software – custom software	Non-Taxable		Custom software requires an analysis of the purchaser's needs by the vendor and adaption for use in a specific work environment (e.g., a particular make and model of a computer using a specified input or output device). Custom software results from real and substantial changes to the operational coding to meet individualized requirements. The selection of pre-written or canned programs or program modules assembled by the vendor into a software package does not constitute custom software unless real and substantial changes are made to the programs or creation of program interfacing logic. See regulation.	86 Ill. Adm. Code 130.1935
1033	Computer software – licensed software	Non-Taxable		Licenses for computer software are not subject to tax if all the following conditions are met: <ol style="list-style-type: none"> 1. it is evidenced by a written agreement signed by the licensor and the purchaser; 2. it restricts the purchaser's duplication and use of the software; 3. it prohibits the purchaser from licensing, sub-licensing or transferring the software to a third party (except to a related party) without the permission and continued control of the licensor; 4. the licensor has a policy of providing another copy at minimal or no charge if the purchaser loses or damages the software, or of permitting the licensee to make and keep an archival copy, and such policy is either stated in the license agreement, supported by the licensor's books and records, or supported by a notarized statement made under penalties of perjury by the licensor; and the purchaser must destroy or return all copies of the software to the licensor at the end of the license period. This provision is deemed to be met, in the case of a perpetual license, without being set forth in the license agreement. 	86 Ill. Adm. Code 130.1935
1034	Construction contractors and real estate developers – when selling tangible property with or without installation	Taxable	High Rate	Construction contractors must remit tax when they engage in selling tangible personal property with or without installation, so long as it remains tangible personal property and is not permanently affixed to real estate (e.g., gas or electric ranges, stoves, washing machines, dryers, refrigerators, furniture, furnishings, drapes, or non-permanent flooring).	86 Ill. Adm. Code 130.1940 and Compliance Alert 2015-14

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1035	Landscape contractors and nurserymen when selling tangible personal property	Taxable	High Rate	Nurserymen or landscapers must remit tax when they sell shrubbery, trees, and similar items to purchasers for use or consumption, and do not, as part of the transaction, plant the items in the ground.	86 Ill. Adm. Code 130.1940 and 130.1965
1036	Farm chemicals	Exempt		Farm chemicals include any chemical product used in production agriculture, the products of which are to be sold, or in the production or care of animals that are to be sold or the products of which are to be sold. Examples of exempted items are stock sprays, disinfectants and the like, stock tonics, serums, vaccines, poultry remedies and other medicinal preparations and conditioners, water purifying products, insecticides, weed killers, and the like.	86 Ill. Adm. Code 130.1955
1037	Florists – Out of State	Non-Taxable		When a florist receives instructions from another florist located either within or outside of Illinois for the delivery of flowers, the receiving florist will not be held liable for tax with respect to any receipts which may be realized from the transaction.	86 Ill. Adm. Code 130.1965(b)(3)
1037.1	Florist – In State	Taxable	High Rate	With orders taken by an Illinois florist and transmitted to a second florist located either within or outside of Illinois for the delivery of flowers, the sending florist will be held liable for tax with respect to the total amount collected from customers, except for the cost of the message conveying delivery instructions where this item is charged for separately from the selling price of the flowers.	86 Ill. Adm. Code 130.1965(b)(2)
1038	Pets, including horses, fish, birds, insects, dogs, cats, hamsters, lizards, and other animals	Taxable	High Rate	Persons who are in the business of selling pets, animals, horses, fish, birds, insects, and the like are required to remit tax.	86 Ill. Adm. Code 130.1971 and CA-2011-10
1039	Animals purchased for the purpose of breeding and sale of offspring	Non-Taxable		To be non-taxable, the purchaser must be engaged in the business of breeding and selling offspring. Examples include, but are not limited to, purchases of dogs used in breeding to produce puppies for sale and purchases of semen used for artificial insemination of livestock for direct agricultural production.	86 Ill. Adm. Code 130.1971 , 130.210 , and 130.2100

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1040	Suppliers to operators of games of chance	Taxable	High Rate	Persons engaged in selling tangible personal property to operators of raffles, punch boards, mechanical gambling devices and other games of chance, for disposition to players during the operation of such games of chance, are engaged in the business of selling tangible personal property and must remit tax.	86 Ill. Adm. Code 130.1975
1041	Optometrists	Taxable	High Rate	When an optometrist makes sales of spectacles, frames or mountings without examination or treatment of the eyes, nonprescription sunglasses, cleaning solutions, field glasses, opera glasses, and other tangible personal property, tax is required to be remitted.	86 Ill. Adm. Code 130.1980
1042	Pawnbrokers – sales of unredeemed property	Taxable	High Rate	In the case of a pawner or pledger who does not redeem the property pledged or pawned within the specified statutory time, such property is generally forfeited to the pawnbroker, to whom title to the property passes at the time of such forfeiture. Where pawnbrokers thereafter engage in the business of selling such articles for use or consumption, they are required to remit tax.	86 Ill. Adm. Code 130.1985
1043	Personalized tangible personal property – items which maintain inherent commercial value	Taxable	High Rate	Items which have intrinsic usefulness and general utility and so have commercial value, even after personalization, are subject to tax. This is also true even if the items are produced only upon receipt of an order (e.g., thermometers, pencils, pens, mirrors, silverware, notebooks, diaries, baby books, guest registers and other similar books of general utility for the recording of information, brief cases, wallets, toys, paper weights, pins and other jewelry, watches, rulers, match books, playing cards, blotters, calendars, bags, and other fairly standard salable containers, napkins, dishes [whether made from paper or some other material], handkerchiefs, and other articles of merchandise which bear the name, monogram, or trademark of the purchaser or of some other person, or which bear advertising inscriptions of the purchaser or some other persons).	86 Ill. Adm. Code 130.1995
1044	Personalized tangible personal property – items which have no commercial value	Non-Taxable		Items which have no commercial value to anyone other than the purchaser for whom it is produced (e.g., personalized business calling cards, greeting cards, letterheads, envelopes, labels, name plates, badges, and medallions) are not subject to Retailers' Occupation Tax.	86 Ill. Adm. Code 130.1995

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1045	Prepaid calling arrangements	Taxable	High Rate	"Prepaid telephone calling arrangements" means the right to exclusively purchase telephone or telecommunications services that must be paid for in advance and enable the origination of one or more intrastate, interstate, or international telephone calls or other telecommunications using an access number, an authorization code, or both, whether manually or electronically dialed, for which payment to a retailer must be made in advance, provided that, unless recharged, no further service is provided once that prepaid amount of service has been consumed.	35 ILCS 105/3 and 3-27 ; 35 ILCS 120/2(a) ; and ST-15-0006-PLR
1046	Printed materials – standard stock or items which serve the function of standard stock sold at retail	Taxable	High Rate	Taxable materials include stock or standard items sold for use and consumption (e.g., legal forms, stock or standard greeting cards, pictures, or other items that are stocked for sale or generally offered for sale to the public).	86 Ill. Adm. Code 130.2000
1047	Printed materials – custom stock	Non-Taxable		Non-taxable materials include material printed in accordance with copy supplied to the printer by the purchaser or otherwise printed in accordance with the purchaser's specifications and special order. Printed materials generally mean sales by persons engaged in graphic arts production as long as items so produced do not serve substantially the same function as stock or standard items of tangible personal property sold at retail. Examples include personalized items, such as wedding invitations or holiday cards.	86 Ill. Adm. Code 130.2000
1048	Products of photoprocessing	Taxable	High Rate	For purposes of the tax imposed on photographs, negatives, and positives, photoprocessing includes, but is not limited to, developing films, positives and negatives, transparencies, tinting, coloring, and making and enlarging prints. For example, a photographer develops exposed film and transfers negatives and prints to a consumer. Tax is collected on the entire bill. Photoprocessing does not include products of photoprocessing produced for use in motion pictures for public commercial exhibition, color separation, typesetting, and platemaking by photographic means in the graphic arts industry, and does not include any procedure, process, or activity connected with the creation of the images on the film from which the negatives, positives, or photographs are derived. The sale of items produced by digital photography is not a sale of products of photoprocessing.	86 Ill. Adm. Code 130.2000

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1049	Leases of tangible personal property (excluding vehicles) – True Lease	Taxable		Generally, a true lease has no buyout provision. If a buyout provision does exist, it must be a buyout option based on fair market value to remain a true lease. For a true lease, the lessor is considered the end user and must pay Use Tax at the time of purchase based on the cost price of the tangible personal property purchased for lease to an Illinois lessee. The tax rate due will vary based on the type of tangible personal property being leased.	86 Ill. Adm. Code 130.2013 and 130.220
1050	Leases of tangible personal property (excluding vehicles) – Conditional Sales Agreement	Taxable		A lease is considered a conditional sales agreement if, at the initiation of the lease, the lessor is guaranteed that the tangible personal property will be sold. A conditional sale usually has a nominal or "one dollar" purchase option at the close of the lease term. The tax is due from a conditional sale when each periodic payment is made. The lessor remits Retailers' Occupation Tax on all receipts of a conditional sale when the tangible personal property is leased to an Illinois lessee. The tax rate due will vary based on the type of tangible personal property being leased.	86 Ill. Adm. Code 130.2013 and 130.220
1051	Picture-framers – selling frames at retail	Taxable	High Rate	Picture framers incur tax liability when they sell frames at retail, even though they make such picture frames only upon receipt of a customer order. This is true even though the picture framer installs, in such frame, a picture belonging to his purchaser.	86 Ill. Adm. Code 130.2025
1052	Registered pharmacists and druggists – sales of tangible personal property other than drugs and medicines	Taxable		Sales of merchandise, such as thermometers, cleaning supplies, makeup, sunglasses, candy, and soft drinks are taxable at the high rate. See IDs 1002 through 1004 and IDs 1010 through 1020.	86 Ill. Adm. Code 130.2035
1053	Clothing	Taxable	High Rate		86 Ill. Adm. Code 130.2040
1054	Clothing – custom made	Taxable	High Rate	There is no deduction for the cost of labor involved in producing the finished item for sale, even when separately stated.	86 Ill. Adm. Code 130.2040
1055	Motor fuel	Taxable	High Rate	Sales of motor fuels, including gasoline, gasohol, and aviation fuel are subject to tax. As of December 31, 2018, biodiesel blends of less than 10% are fully taxable. Biodiesel blends of more than 10% but no more than 99% biodiesel, 100 percent biodiesel, and majority blended ethanol fuel are 100% exempt from Use Tax until December 31, 2023. Effective January 1, 2024, and on or before December 31, 2030, the taxation of biodiesel, renewable diesel and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act (see 35 ILCS 105/3-5.1). Exemptions are reported on Schedule A, Deductions, on Form ST-1 , Sales and Use Tax and E911 Surcharge Return. Use Tax for Aviation Fuel is reported on Form ST-70 filed through MyTax Illinois .	35 ILCS 105/3-5.1 and 120/2-10 ; and 86 Ill. Adm. Code 130.2060 and 86 Ill. Adm. Code Part 500

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1056	Cigarettes	Taxable	High Rate	Cigarettes (and little cigars) are subject to tax. Sales of cigarettes into Illinois are also subject to the Cigarette Use Tax. See Excise Tax Rates and Fees .	86 Ill. Adm. Code 130.2060 and 86 Ill. Adm. Code Parts 440 , 450 , and 660
1057	Cigars, pipe tobacco, and other tobacco products	Taxable	High Rate	Tobacco products are subject to tax. Tobacco products sold in Illinois are also subject to Tobacco Products Tax. See Excise Tax Rates and Fees .	86 Ill. Adm. Code 130.2060 and 86 Ill. Adm. Code Part 660
1058	Containers, utensils, wrapping and packing materials and related products – sold for resale	Non-Taxable		Includes sales to restaurants and vendors who then transfer the containers to purchasers in the regular course of business: plastic cups, plates, napkins, boxes, sleeves, straws, and other similar items.	86 Ill. Adm. Code 130.2070
1059	Containers, utensils, wrapping and packing materials and related products – sold for use	Taxable	High Rate	Sales of paper napkins, drinking straws, paper cups, and paper plates to operators of office buildings, hotels, and the like for the use of their employees, tenants, or guests are taxable retail sales. Paper towels and toilet tissues are deemed to be sold for use or consumption when sold to a purchaser for use in connection with the conduct of his business and not for resale as such.	86 Ill. Adm. Code 130.2070
1060	Sales to banks, savings and loan associations, and credit unions – exempt under federal law	Exempt		Sales of tangible personal property for use or consumption to federally chartered credit unions, the Federal National Mortgage Association (Fannie Mae), Farm Credit Banks, and Federal Home Loan Banks that are exempt under federal law are not subject to tax. See Sales to purchasers exempt from use tax by federal law (ID 3027).	35 ILCS 120/2-5 (16)
1061	Sales to banks, savings and loan associations, and credit unions – not exempt under federal law	Taxable		Retail sales to national banks, state-chartered banks, federally chartered savings and loan associations and other privately-owned financial institutions are subject to tax. This includes sales of building materials and fixtures to construction contractors for incorporation into real estate owned by banks and savings and loan associations.	86 Ill Adm. Code 130.2085
1062	Sales by banks, savings and loan associations, and credit unions	Taxable		State-chartered banks and both federally- and state-chartered savings and loan associations which engage in selling tangible personal property at retail must remit tax.	86 Ill. Adm. Code 130.2085

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1063	Sales to railroad companies	Taxable			86 Ill. Adm. Code 130.2090
1064	Gasohol, coal, coke, fuel oil, biodiesel, biofuel, and other combustibles	Taxable	High Rate	See also Motor fuel (ID 1055) for exemptions related to majority blended ethanol, biodiesel, and biodiesel blends.	86 Ill. Adm. Code 130.2095
1065	Feeds – used or consumed	Taxable	High Rate	The sale of feeds for use in feeding horses, livestock, or poultry, which are not resold but are used, employed, or consumed, for purposes other than sale at market (or for breeding animals whose offspring will be sold) constitutes a "sale at retail" which is subject to tax.	86 Ill. Adm. Code 130.2100
1066	Feeds – sold for livestock which is for sale at market or for producing dairy or eggs	Non-Taxable		Feeds sold for feeding livestock or poultry for marketing, or for producing dairy products or eggs for marketing, are not a sale for use or consumption. Such sales of feeds are deemed to be sales, for purposes of resale, of the property which, "as an ingredient or constituent goes into and forms a part of tangible personal property, subsequently the subject of a 'sale at retail.'"	86 Ill. Adm. Code 130.2100
1067	Floor coverings	Taxable	High Rate	See regulation for exceptions.	86 Ill. Adm. Code 130.2101
1068	Books, sheet music, musical recordings (CDs and other media)	Taxable	High Rate	Does not include digital transfers. See Digital books, digital music, and other digital media (see ID 1069).	86 Ill. Adm. Code 130.2105
1069	Digital books, digital music, and other digital media	Non-Taxable		Information or data that is downloaded electronically, such as downloaded books, musical recordings, digital photographic files, newspapers, or magazines does not constitute the transfer of tangible personal property and is not subject to Use Tax. Sales of downloads of computer software are generally taxable. See Computer software (see IDs 1031 through 1033).	86 Ill. Adm. Code 130.2105
1070	Newspapers and magazines	Non-Taxable		The newsprint and ink exemption applies to newspapers and magazines. See the regulation to determine whether a publication qualifies as a newspaper or magazine according to the newsprint and ink exemption.	86 Ill. Adm. Code 130.2105

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1071	Seeds and fertilizer – resale	Exempt		Seeds and fertilizers that are used in producing agricultural products for sale are exempt. See Form CRT-61 .	86 Ill. Adm. Code 130.2110
1072	Seeds and fertilizer – not for resale	Taxable	High Rate	Seeds and fertilizers that are not used in production agriculture are not exempt (e.g., seeds or fertilizer for lawns or home or private gardens).	86 Ill. Adm. Code 130.2110
1073	Machinery, tools, and special-order items	Taxable	High Rate	Sales of machinery and tools not made on special order are sales of tangible personal property and are subject to tax. Machinery and tools produced on order that serve the same function as a standard item or that are an alteration of a standard item are still subject to tax.	86 Ill. Adm. Code 130.2115
1074	Machinery, tools, and special-order items - when considered a sale of service	Non-Taxable		Special orders of machinery and tools "of use or value only to the purchaser" (e.g., tools, dies, jigs, patterns, gauges, models, exhibits, and the like) are not taxable if they meet the criteria listed in the regulation. See regulation.	86 Ill. Adm. Code 130.2115
1075	Curtains, blinds, awnings, shades, screen doors, window screens, storm doors and storm windows, slipcovers, floor coverings, and other similar items made to order	Taxable	High Rate	Items that are produced on special order and serve substantially the same function as stock or standard items of tangible personal property sold at retail (with or without installation by the seller) are taxable. When these items are sold with installation as a permanent fixture into real estate by a construction contractor, the construction contractor incurs Use Tax liability as the end user before it is incorporated into real estate.	86 Ill. Adm. Code 130.2140
1076	Vendors of memorial stones and monuments	Taxable	High Rate	Persons who engage in the business of selling monuments, grave markers, and the like to purchasers for use or consumption, and not for resale, incur tax liability on their receipts from such sales whether such items are sold as stock or standard items, or whether such items are produced on special order by the seller for the purchaser. Such items, when produced on special order, serve substantially the same function as stock or standard items that are sold at retail.	86 Ill. Adm. Code 130.2150
1077	Signs – with commercial value	Taxable	High Rate	Signs which have use or value, even when produced on special order, are subject to tax. Examples: "Parking" "Real Estate" or computerized signs that can be programmed with inputs (but without a personalized casing).	86 Ill. Adm. Code 130.2155
1078	Signs – with value only to purchaser	Non-Taxable		Tax is not imposed on signs which have value only to the purchaser; however, these signs may be subject to Service Occupation Tax.	86 Ill. Adm. Code 130.2155
1079	Steam	Taxable	High Rate	Steam sold for use or consumption is subject to tax when the condensate is not returned to the retailer. See regulation.	86 Ill. Adm. Code 130.2156

Common Transactions					
ID*	Description	Taxable	Rate**	Explanation	References
1080	Tangible personal property employed for premiums, advertising, prizes, etc.	Taxable	High Rate	Tangible personal property sold to purchasers who give such property away for premiums, advertising, prizes, or for any other reason, apart from their sale of other tangible personal property or service (e.g., calendars, coffee mugs, and pens which are sold to a dealer who gives the items away as part of a sales promotion or advertising campaign, apart from the dealer's sale of other tangible personal property or service) is subject to tax.	86 Ill. Adm. Code 130.2160
1081	Veterinarians – retail sales of drugs and medical devices	Taxable	High Rate	See regulation.	86 Ill. Adm. Code 130.2165
1082	Veterinarians – sales of non-medical items including combs, brushes, clippers, name tags, non-medicated shampoo, leashes, collars, toys, and waste handling products	Taxable	High Rate	See regulation.	86 Ill. Adm. Code 130.2165
1083	Sales of coupon books, gift certificates, and gift cards	Non-Taxable		See regulation.	86 Ill. Adm. Code 130.2125
1084	Data Centers	Exempt		Qualified tangible personal property used in the construction and operation of a data center that has been granted a certificate of exemption by DCEO, whether the tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor of the owner, operator, or tenant, is exempt from tax.	86 Ill. Adm. Code 130.1957

Illinois Sales & Use Tax Matrix – Special Situations and Exemptions

Special Situations and Exemptions					
ID*	Description	Taxable	Rate**	Explanation	References
3001	Sales Tax Holidays			2022 – Public Act 102-0700 created a back-to-school state sales tax holiday on qualifying items effective August 5, 2022, through August 14, 2022. See the Retailer Resources – Groceries, Back-to-School Holiday, Motor Fuel page on our website for more information.	35 ILCS 120/2-8 and 2-10
3002	Coupons – retailer receives full or partial reimbursement	Taxable		If a retailer allows a purchaser a discount from the selling price based on a discount coupon for which the retailer will receive full or partial reimbursement (from a manufacturer, distributor, or other source), the retailer must remit tax on the receipts received from the purchaser including the amount of any coupon reimbursement.	86 Ill. Adm. Code 130.2125
3003	Coupons – retailer receives no reimbursement	Non-taxable		If a retailer allows a purchaser a discount from the selling price based on a discount coupon for which the retailer receives no reimbursement from any source, the amount of the discount may be excluded from the selling price. Only the receipts received by the retailer from the purchaser, not including the value of the coupon, are subject to tax.	86 Ill. Adm. Code 130.2125
3004	Community water supply, tangible personal property used in construction or maintenance	Exempt		Tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act is exempt. To document the exemption, the retailer must obtain from the purchaser a copy of the Certificate of Eligibility for Sales Tax Exemption issued by the not-for-profit corporation that operates the community water supply. The Certificate of Eligibility for Sales Tax Exemption must be obtained at the time of sale.	86 Ill. Adm. Code 130.1934
3005	Low sulfur dioxide emission coal-fueled devices	Exempt		Purchases of low sulfur dioxide emission coal-fueled devices are exempt from tax. This exemption extends to and includes the purchase of such a device, or materials to construct such a device which are physically incorporated into the device, by a contractor who retransfers the device to his purchaser in fulfillment of a contract to furnish such a device to, and install it for, his purchaser.	86 Ill. Adm. Code 130.335
3006	Coal exploration, mining, off highway hauling, processing, maintenance, and reclamation equipment	Exempt		Exemption applies until July 1, 2028.	86 Ill. Adm. Code 130.350 and 35 ILCS 120/2-5(21)

Special Situations and Exemptions					
ID*	Description	Taxable	Rate**	Explanation	References
3007	Aggregate exploration, mining, off highway hauling, processing, maintenance, and reclamation equipment	Exempt		Exemption applies until July 1, 2028.	86 Ill. Adm. Code 130.351 and 35 ILCS 120/2-5(21)
3008	Sales to governmental bodies, foreign diplomats, and consular personnel	Exempt		See regulations.	86 Ill. Adm. Code 130.2080
3009	Tangible personal property used or consumed in Enterprise Zones by certified businesses or by High Impact businesses	Exempt		Exemptions include tangible personal property used or consumed in graphic arts production within Enterprise Zones located in a county of more than 4,000 persons and less than 45,000 persons, the process of manufacturing and assembly within Enterprise Zones, and the operation of pollution control facilities located within Enterprise Zones or by High Impact Businesses. The purchaser must provide the retailer with current certificate of eligibility issued by the Department of Commerce and Economic Opportunity (DCEO) and a written statement of exemption signed by the certified business. See regulations.	86 Ill. Adm. Code 130.1946 , 130.1947 , and 130.1948
3010	Building materials exemptions – incentive zones	Exempt		Exemptions include sales of building materials incorporated into the South Suburban Airport, the Illiana Expressway, Real Estate within Enterprise Zones, a High Impact Business, a Redevelopment Project within an Intermodal Terminal Facility Area, and Real Estate within River Edge Redevelopment Zones. At the time of purchase, the purchaser must provide the retailer with a valid exemption certificate in the contractor's or subcontractor's name. It is the responsibility of the retailer to verify the validity of the exemption certificate received using IDOR's verification page . If the exemption certificate is not valid at the time of purchase, the contractor is not able to make tax-exempt purchases at that time. The contractor must contact the Zone Administrator to be added to the approved list of contractors and to be issued an exemption number by IDOR prior to making tax-exempt purchases. See regulations.	86 Ill. Adm. Code 130.1949 , 130.1950 , 130.1951 , 130.1952 , 130.1953 , and 130.1954

Special Situations and Exemptions					
ID*	Description	Taxable	Rate**	Explanation	References
3010.1	Building materials exemption – microchips and semiconductor manufacturing MICRO Act	Exempt		Effective April 19, 2022, each retailer who makes a sale of building materials that will be incorporated into real estate in a qualified facility for which a certificate of exemption has been issued by the Department of Commerce and Economic Opportunity under Section 110-105 of the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, may deduct receipts from such sales when calculating any State or local use and occupation taxes. No retailer who is eligible for the deduction or credit under Section 5k of the MICRO Act related to enterprise zones or Section 5l of the MICRO Act related to High Impact Businesses for a given sale shall be eligible for the deduction or credit authorized under Section 5n for that same sale.	35 ILCS 120/5n
3010.2	Utility tax exemptions – microchips and semiconductor manufacturing MICRO Act	Exempt		Effective April 19, 2022: For Telecommunications Excise Tax, gross charge does not include charges to business enterprises certified under the MICRO Act. See 35 ILCS 630/2(a)(5.1) . For Electricity Excise Tax, tax is not imposed for use of electricity at a project site that is certified for tax exemption under the MICRO Act. The exemption shall be no more than 10 years. See 35 ILCS 640/2-4(e) . An additional charge equal to the total amount of taxes identified in Section 9-222 of the Public Utilities Act shall not be assessed against customers certified under the MICRO Act. See 220 ILCS 5/9-222 .	P.A. 102-0700, Article 110, Section 110-95
3010.3	Building materials exemption – Reimagining Electric Vehicles in Illinois (REV) Act	Exempt		Effective November 16, 2021, each retailer who makes a sale of building materials that will be incorporated into real estate in an electric vehicle manufacturing facility, an electric vehicle manufacturing component parts manufacturing facility, or an electric vehicle power supply manufacturing facility REV Illinois Project which meets the qualifications under Section 20 of the REV Act for which a certificate of exemption has been issued by the Department of Commerce and Economic Opportunity, may deduct receipts from such sales when calculating any State or local use and occupation taxes. No retailer who is eligible for the deduction or credit under Section 5k of the Retailers' Occupation Tax (ROT) Act related to enterprise zones or 5l of the ROT Act related to High Impact Businesses for a given sale shall be eligible for the deduction or credit authorized under Section 5m for the same sale.	35 ILCS 120/5m and FY 2022-16

Special Situations and Exemptions					
ID*	Description	Taxable	Rate**	Explanation	References
3010.4	Utility tax exemptions – REV Illinois	Exempt		<p>Effective November 16, 2021:</p> <p>For Telecommunications Excise Tax, gross charge does not include charges to electric vehicle manufacturers, electric vehicle component parts manufacturers, or electric vehicle power supply manufacturers at REV Illinois Project sites for businesses certified by DCEO under Section 95 of the REV Act. See 35 ILCS 630/2(a)(5).</p> <p>For Electricity Excise Tax, tax is not imposed for use of electricity at a project site that is certified for tax exemption under the REV Act. The exemption shall be no more than 10 years. See 35 ILCS 640/2-4(d).</p> <p>An additional charge equal to the total amount of taxes identified in Section 9-222 of the Public Utilities Act shall not be assessed against electric vehicle manufacturers, electric vehicle component parts manufacturers or electric vehicle power supply equipment manufacturers at REV Illinois Project sites as certified under the REV Act. See 220 ILCS 5/9-222.</p>	P.A. 102-669
3011	Donations			Tax is incurred when donating tangible personal property. The donor who purchases property and gives it away makes a taxable use of the property when making such gift. See regulation.	86 Ill. Adm. Code 150.305
3012	Federal taxes			A person computing tax liability may deduct from gross receipts an amount equivalent to taxes which are paid to the federal government if required by federal law to collect such taxes from purchasers and remit taxes directly to the federal government. Federal excise taxes imposed upon the manufacture or production of tangible personal property, and Federal processing taxes, compensating taxes, importation taxes and taxes on floor stocks are not deductible. See regulation.	86 Ill. Adm. Code 130.445
3012.1	State and local taxes – when included in the selling price and basis for tax			Generally, when a tax is imposed on the retailer, importer, manufacturer, and not the consumer directly, the tax is included in the selling price when calculating Retailers' Occupation Tax or Use Tax. In computing Retailers' Occupation Tax liability, no amount may be deducted from gross receipts from retail sales of alcoholic beverages to cover the taxes which have been paid by manufacturers or importing distributors of alcoholic beverages under the Liquor Control Act of 1934. In the case of cigarettes, the amount represented by the State Cigarette Tax or Cigarette Use Tax should be included in arriving at the net taxable selling price. If a home rule jurisdiction, such as Chicago, imposes a cigarette tax, the amount of such local cigarette tax is included the selling price when computing tax.	86 Ill. Adm. Code 130.2060

Special Situations and Exemptions					
ID*	Description	Taxable	Rate**	Explanation	References
3012.2	State and local taxes – when not included in the selling price and basis for tax			When a tax is imposed on a consumer, the tax is not includable in gross receipts subject to state tax. In addition, gross receipts do not include any charges that are added to prices on account of the seller's tax liability under any local occupation tax administered by IDOR. Persons who sell motor fuel for use or consumption may deduct, from their gross receipts from such sales, the Illinois Motor Fuel Tax collected with respect to such sales, because the Illinois Motor Fuel Tax is on the consumer and is not considered to be a part of the "selling price" of the motor fuel. County Motor Fuel Taxes imposed under the County Motor Fuel Tax Law are includable in gross receipts subject to Retailers' Occupation Tax. Cook County Motor Fuel Tax is imposed upon the consumer and is therefore deductible from gross receipts.	86 Ill. Adm. Code 130.2060
3013	Transportation and delivery charges – when taxable	Taxable		If the transportation/delivery charge is not separately stated to the purchaser, or if the charge is separately stated and the purchaser does not have the option to obtain the property in any manner except by payment of the transportation and delivery charge to the retailer (e.g., no option to pick up or no offer for free or qualified free transportation or delivery), then the transportation/delivery charge is considered part of the taxable purchase price. Costs incurred by the retailer in moving property to some point from which the property will be delivered or shipped to the purchaser, or picked up by the purchaser, are not outgoing transportation and delivery charges; they are part of the retailer's costs of doing business. Any amounts the retailer charges a purchaser for moving the property cannot be deducted from the gross receipts of that sale. For applicable rate, see regulations.	86 Ill. Adm. Code 130.415
3014	Transportation and delivery charges – when not taxable	Non-Taxable		If the transportation/delivery charge is separately stated to the purchaser, and the purchaser has the option to obtain the property in any manner except by payment of the transportation and delivery charge to the retailer (e.g., has the option to pick up or has an offer for free or qualified free transportation or delivery), then the transportation/delivery charge is not taxable.	86 Ill. Adm. Code 130.415
3015	Traded-in property	Non-Taxable		Selling price means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, or traded in property. Only if the traded in property is of like kind and character as the property being sold may it be used as a deduction from the selling price of the property sold.	86 Ill. Adm. Code 130.425

Special Situations and Exemptions					
ID*	Description	Taxable	Rate**	Explanation	References
3016	Deposit or prepayment on purchase price	Taxable	High Rate	If a buyer in a sale at retail makes a binding commitment to purchase (the tangible personal property identified in the contract is subject to binding commitment) any payment on the purchase price is subject to tax. The giving of the binding purchase order by the purchaser, identification of the tangible personal property, and the making of a payment on the price are sufficient to establish that a sale is intended for the purpose of determining that the seller has received taxable "gross receipts."	86 Ill. Adm. Code 130.430
3017	Installation, alteration, and special service charges – when taxable	Taxable	High Rate	When installation, alteration, and service charges are not separately agreed upon and separately stated (see regulation), they are considered part of the selling price and subject to tax.	86 Ill. Adm. Code 130.450
3018	Installation, alteration, and special service charges – when non-taxable	Non-taxable		When installation, alteration, and service charges are separately agreed upon and separately stated (see regulation), they are considered services and are not subject to tax.	86 Ill. Adm. Code 130.450
3019	Sales to nonprofit arts or cultural organizations	Exempt		If an organization qualifies, IDOR will issue an E-number that the organization must provide to vendors. Sales to such organizations are not taxable provided the organization supplies the valid E-number to the vendor at the time of purchase. Nonprofit arts and cultural organizations are required to obtain this number before they can make tax-free purchases.	86 Ill. Adm. Code 130.2004 and 130.2081
3020	Sales by exclusively charitable, religious, or educational organizations	Taxable		There are very limited circumstances when these types of organizations are not subject to tax.	86 Ill. Adm. Code 130.2005(a)(3)
3021	Sales of tangible items by schools – soft drinks, candy, popcorn, vending machine sales, and bookstore sales	Taxable	High Rate	Schools must collect tax on sales of tangible property.	86 Ill. Adm. Code 130.2006

Special Situations and Exemptions					
ID*	Description	Taxable	Rate**	Explanation	References
3022	Sales to lodges, nonprofit associations, nonprofit corporations, labor unions, civic clubs, and patriotic organizations	Taxable		Purchasers must qualify as a government entity or an exclusively religious, charitable, or educational organization to qualify to receive a Sales Tax Exemption Number from IDOR. To make a tax-free purchase the purchaser must present a valid E-number to the retailer at the time of purchase. Non-profit status with the IRS is not sufficient to qualify for a Sales Tax Exemption without other consideration.	86 Ill. Adm. Code 130.2005 and 130.2081
3023	Sales by governmental bodies other than the federal government	Taxable	High Rate	State and local governments, or any agency or instrumentality of any such governmental body, must remit tax when engaging in the selling of tangible personal property at retail to the public other than in the performance of a governmental function.	86 Ill. Adm. Code 130.2055
3023.1	Sales by or on behalf of the State Treasurer	Exempt		Effective May 27, 2022, tangible personal property sold by or on behalf of the State Treasurer pursuant to the Revised Uniform Unclaimed Property Act are exempt.	35 ILCS 105/3-5(41) , 35 ILCS 110/3-5(32) , 35 ILCS 115/3-5(33) , 35 ILCS 120/2-5(46) , and P.A. 102-1026
3024	Sales to purchasers performing contracts with governmental bodies	Exempt		Generally, a government contractor who purchases items to fulfill his obligations under a contract with a governmental unit purchases those items for use and must remit tax. However, if the contract with the governmental unit explicitly requires the contractor to sell those items to the governmental unit, the purchase of those items by the contractor can be structured as purchases for the purpose of resale to the governmental unit if certain conditions are met. To be exempt, there must be a contract between the purchaser and the governmental body that requires the purchaser to transfer the tangible personal property to the governmental body immediately upon or after the completion of the contract.	86 Ill. Adm. Code 130.2076 , 130.2080 , and 130.2081
3025	Sales to governmental bodies	Exempt		Sales of tangible personal property made to a governmental body (federal, state, local or foreign) are exempt from the tax only if the governmental body has a valid E-number issued by IDOR and it provides this valid E-number to the retailer at the time of purchase, who records the number instead of collecting the tax.	86 Ill. Adm. Code 130.2080 , 130.2081 , and 150.332

Special Situations and Exemptions					
ID*	Description	Taxable	Rate**	Explanation	References
3026	Aircraft refurbishment	Exempt		Beginning January 1, 2010, and continuing through December 31, 2024, materials parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft are exempt from tax. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the sale of qualifying tangible personal property to persons who modify, refurbish, complete, replace, or maintain an aircraft and who: (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration; (ii) have a Class IV Rating; and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations.	86 Ill. Adm. Code 130.120
3027	Sales to purchasers exempt from use tax by federal law	Exempt		If the purchaser is exempt from use tax by operation of federal law, then tangible personal property sold to a purchaser is exempt from Illinois tax (both Use Tax and Retailers' Occupation Tax).	35 ILCS 120/2-5(16) and 86 Ill. Adm. Code 130.120(s)
3028	Interstate commerce	Exempt		Sales of tangible personal property made by Illinois businesses when the property is shipped or delivered by those Illinois businesses to a location outside Illinois and is not returned to Illinois for use are exempt. This exemption does not apply to sales made by Illinois businesses to an out-of-state buyer who takes possession of items in Illinois.	86 Ill. Adm. Code 130.605

Special Situations and Exemptions					
ID*	Description	Taxable	Rate**	Explanation	References
3029	Licensed not-for-profit daycare center	Exempt		Purchases by a licensed not-for-profit daycare are exempt when a valid "E-number" is provided at the time of purchase. See ID 3030.	Information for exclusively charitable, religious, or educational organizations; governmental bodies; and certain other tax-exempt organizations (PIO-37)
3030	Exclusively charitable, religious, educational, or governmental organizations – "E" numbers	Exempt		<p>An organization must be</p> <ul style="list-style-type: none"> not-for-profit, and organized and operated exclusively for charitable, religious, educational, or governmental purposes, <p>to qualify for the exemption from state and local sales tax ("E"-number) which allows an organization to buy items tax-free. Illinois has its own criteria for determining eligibility. The criteria are governed by the Retailers' Occupation Tax Act for sales tax exemptions. Sales tax exemptions are given to</p> <ul style="list-style-type: none"> Churches Exclusively charitable organizations Licensed not-for-profit day care centers Not-for-profit organizations that are operated primarily for arts or cultural purposes Qualifying senior citizen organizations Schools State, local, and federal governments <p>Note: A charitable organization isn't necessarily qualified because it has a charter from the Secretary of State's office designating it as a not-for-profit corporation, or an exemption from federal taxes under Section 501(c)(3) of the Internal Revenue Code. Although the information is relevant, it doesn't prove the charitable nature of the organization.</p> <p>When selling tangible personal property at retail to members, guests or others, organizations with E-numbers are liable for Retailers' Occupation Tax with certain limited exceptions. See 86 Ill. Adm. Code 130.2005 for the limited exceptions.</p>	Information for exclusively charitable, religious, or educational organizations; governmental bodies; and certain other tax-exempt organizations (PIO-37)

*ID column is a unique numerical identifier for each item to be used by programmers.
 **To determine the effective rate of tax for a specific location, use the [Tax Rate Finder](#).

Illinois Sales & Use Tax Matrix – References to other taxes and returns

References to other taxes and returns			
ID*	Description	Explanation	Reference
4001	Automobile rental	Sales tax is not incurred on automobile rentals for a period of 1 year or less. See regulations for Automobile Renting Occupation Tax.	86 Ill. Adm. Code Part 180
4002	Aviation fuel	Sales of aviation fuel are reported on Form ST-70 filed through MyTax Illinois . Sales of aviation fuel should be included on Form ST-1, Line 1, Total Receipts and then deducted on Form ST-1, Schedule A, line 16 with description "Sales of Aviation Fuel."	FY 2018-16 and Form ST-70 Instructions
4003	Dry cleaning and laundry services	Dry cleaning and laundry services are not subject to sales tax. See Dry-Cleaning Solvent Tax and Dry-Cleaning Operator's License Fee.	415 ILCS 135/60 to 135/80
4004	Motor vehicles	Effective February 1, 2022, marketplace facilitators and remote retailers are required to remit tax on titled or registered vehicles.	86 Ill. Adm. Code 130.111 , 130.540 , 131.110 , 131.130 , and 150.705
4005	Illinois Telecommunications Access Corporation (ITAC) Assessment	The Illinois Telecommunications Access Corporation (ITAC) Assessment is a charge imposed on the consumer, to be collected by sellers, when a retail transaction takes place which includes prepaid wireless telecommunications service. The ITAC Assessment must be collected on the same transactions as the Prepaid Wireless E911 Surcharge. See the ITAC assessment page on our website for specific information. Remote retailers are required to collect and remit this assessment on any sale of prepaid wireless service. Marketplace facilitators are not required to collect and remit the ITAC assessment; however, marketplace sellers may be liable for this assessment.	220 ILCS 5/13-703 and 86 Ill. Adm. Code 131.107
4006	Prepaid Wireless E-911 Surcharge	The Prepaid Wireless E911 Surcharge is a charge imposed on the consumer and collected by retailers when a retail transaction takes place that includes prepaid wireless telecommunications service. It is reported on Form ST-1. Retailers are subject to the surcharge. The surcharge is 3% per retail transaction. In the city of Chicago, the surcharge is 9% per retail transaction. IDOR collects the tax on behalf of the city of Chicago on Form ST-1. See the Prepaid Wireless E911 Surcharge page on our website for specific information. Remote retailers are required to collect and remit this surcharge on any sale of prepaid wireless service. Marketplace facilitators are not required to collect and remit the surcharge; however, marketplace sellers may be liable for the surcharge.	50 ILCS 753/15 , ST-15-0008-PLR , and 86 Ill. Adm. Code 131.107
4007	Sales of wireless services	See Telecommunications Excise Tax Act . Sales of wireless service are not subject to sales tax.	35 ILCS 630/1 , et seq.
4008	Telecommunications	See Telecommunications Excise Tax Act . Sales of telecommunications service are not subject to sales tax.	35 ILCS 630/1 , et seq.

References to other taxes and returns			
ID*	Description	Explanation	Reference
4009	Watercraft and aircraft – sales	Effective February 1, 2022, marketplace facilitators and remote retailers are required to collect and remit tax on aircraft and certain watercraft that is titled or registered with an Illinois agency.	86 Ill. Adm. Code 130.111 , 130.540 , 131.110 , 131.130 , and 150.705
4010	Rounding Rule	To round you must <ul style="list-style-type: none"> • drop amounts under 50 cents and • increase amounts of 50 to 99 cents to the next dollar. For example, \$1.49 becomes \$1 and \$2.50 becomes \$3. If you need to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and round only the total.	
4011	Tire User Fee	Any person who sells or delivers tires at retail in Illinois must collect the fee. The fee is imposed on: <ul style="list-style-type: none"> • new and used tires for vehicles in which persons or property may be transported or drawn upon a highway, as defined in the Illinois Vehicle Code, Section 1-217; • aircraft; • special mobile equipment (such as street sweepers, road construction and maintenance machinery); and • implements of husbandry (farm wagons and combines). See the Tire User Fee page on our website for specific information.	415 ILCS 5/53 - 5/55.15
4012	Metropolitan Pier and Exposition (MPEA) Authority Food and Beverage Tax	A retailers' occupation tax imposed on sales within Chicago's Metropolitan Pier and Exposition Authority (MPEA) boundaries on the gross receipts from the sale of <ul style="list-style-type: none"> • food, alcoholic beverages, and soft drinks sold for consumption on the premises; and • food, alcoholic beverages, and soft drinks sold for consumption off-the-premises by retailers whose primary gross receipts are from food, soft drink, and alcoholic beverages prepared for immediate consumption. See the Metropolitan Pier and Exposition Authority Food and Beverage Tax page on our website for more information. The MPEA Food and Beverage Tax does not apply to remote retailers. Marketplace facilitators, e.g., food-delivery services, such as, Door Dash and Grub Hub, are liable, effective October 1, 2021, for the MPEA Food and Beverage Tax based on their agreement with the food and beverage establishment.	70 ILCS 210/13(b) and 86 Ill. Adm. Code 131.107

References to other taxes and returns			
ID*	Description	Explanation	Reference
4013	Chicago Home Rule Municipal Soft Drink Retailers' Occupation Tax	<p>The Chicago Home Rule Municipal Soft Drink Retailers' Occupation Tax is imposed on persons who sell canned or bottled soft drinks at retail in Chicago including</p> <ul style="list-style-type: none"> • in-state retailers located in the city of Chicago; • out-of-state retailers with selling activity in the city of Chicago (i.e. physical presence, see, e.g., 86 Ill. Adm. Code 270.115) OR with sales of inventory located in the city of Chicago; • remote retailers without physical presence or inventory in Illinois who meet or exceed a tax remittance threshold and make sales to purchasers in the city of Chicago (effective October 1, 2021); • marketplace facilitators whose marketplace meets or exceeds a tax remittance threshold and who make sales over the marketplace to purchasers in the city of Chicago on behalf of marketplace sellers (effective October 1, 2021); and • marketplace facilitator's own sales (effective October 1, 2021) when: <ul style="list-style-type: none"> ○ they are making sales fulfilled from inventory located in Chicago, or the selling activities otherwise occur in Chicago or ○ they meet or exceed a tax remittance threshold, the selling activity is conducted outside Illinois, and they are shipping a soft drink to an address located in the city of Chicago. <p>"Soft drinks" include, but are not limited to:</p> <ul style="list-style-type: none"> • soda; • sport or energy drink; • sweetened tea; • waters containing natural or artificial sweeteners; • beverages containing 50 percent or less fruit or vegetable juice; and • all other preparations commonly known as soft drinks. <p>See the Chicago Home Rule Municipal Soft Drink Retailers' Occupation Tax page for more information.</p>	<p>65 ILCS 5/8-11-6b 86 Ill. Adm. Code 131.107(c)(1)(B)</p>