

Sales to a governmental body are generally subject to tax unless the governmental body has an active exemption identification "E" number. See 86 Ill. Adm. Code 130.2080. (This is a GIL.)

August 16, 2011

Dear Xxxxx:

This letter is in response to your letter dated July 18, 2011, in which you request 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 www.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:

We have found that some other States (Example: Oklahoma) have a Sales Tax Exemption for Resident Disabled American Veterans.

We would like to know your policy and procedures regarding this issue for the State of Illinois. Any information you can provide would be appreciated.

DEPARTMENT'S RESPONSE:

The State of Illinois does not have a sales tax exemption for disabled veterans.

Your letter does not provide sufficient information about the creation, organization and operation of the COUNTY Veteran's Association to determine whether any purchases made by the Association qualify for an exemption under the Retailers' Occupation Tax Act and Use Tax Act. Generally, tangible personal property sold to a governmental body is exempt from Retailers' Occupation Tax and Use Tax liability. I direct you attention to 86 Ill. Adm. Code 130.2080 Sales to Governmental Bodies, Foreign Diplomats and Consular Personnel. Please note that sales to a governmental body or to a unit of local government are subject to tax unless the governmental body has an active exemption number or "E-number." If a governmental body does not have an "E" number, then its purchases are subject to tax.

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

Richard S. Wolters
Associate Counsel

RSW:msk