

With respect to prescription and non-prescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person and insulin, urine testing utensils, syringes and needles used by diabetics, for human use, the tax is imposed at the rate of 1% plus any applicable local taxes. Items that do not qualify for the lower rate of tax are taxed at the general merchandise rate of 6.25% plus any applicable local taxes. See 86 Ill. Adm. Code 130.311.

July 8, 2015

Dear Mrs. XXXX:

This letter is in response to the complaint that you filed on DATE with the Illinois Office of the Attorney General regarding COMPANY'S collection of sales tax. The Office of the Attorney General forwarded your complaint to the Illinois Department of Revenue. 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](http://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:

**NAME OF SELLER/PROVIDER OF SERVICE**  
REDACTED

**COMPLAINT DESCRIPTION**

After completing my transaction for several items, I reviewed my receipt and it reflected an arbitrary tax of an additional 5 cents, and the designation was for "non-Prescrip". I do not know what this means, but I am concerned about being charged an arbitrary fee that no one in the store seems to understand what the charge is for.

**REQUESTED RELIEF**

I want an investigation to determine if the transaction of the fee is legal and for what purpose.

**NOTIFY BUSINESS**

I have no objections to the content of this complaint being forwarded to the business or person the complaint is directed against.

**DEPARTMENT'S RESPONSE:**

The Department's regulation regarding the appropriate tax rate for drugs and medical appliances can be found at 86 Ill. Adm. Code 130.311. With respect to prescription and non-prescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person and insulin, urine testing utensils, syringes and needles used by diabetics, for human use, the tax is imposed at the rate of 1% plus any applicable local taxes such as the Regional Transportation Authority (RTA) Retailers' Occupation Tax.

Those items that do not qualify for the lower rate of tax are taxed at the general merchandise rate of 6.25% plus any applicable local taxes such as the RTA Retailers' Occupation Tax. Without reviewing the receipt for your transaction we cannot determine the appropriate tax rate for the items that you purchased. It is likely that the retailer's designation for the tax was a method of differentiating between low rate items and general merchandise. However, we cannot speculate as to the retailer's methods of doing business.

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

Very truly yours,

Cara Bishop  
Associate Counsel

CB:mdb