

Organizations that make application to the Department and are determined to be exclusively religious, educational, or charitable, receive an exemption identification "E number." This number evidences that this State recognizes that the organization qualifies as exempt from incurring Use Tax when purchasing tangible personal property in furtherance of its organizational purpose. See 86 Ill. Adm. Code 130.2007. (This is a GIL.)

August 27, 2015

Dear Mr. XXXX:

This letter is in response to your letter dated August 3, 2015, 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:

Thank you for responding to our June 30, 2015 written request for additional information concerning our tax exemption status. CHURCH, a not-for-profit religious organization would like further written clarification regarding excise taxation.

Specifically CHURCH would like to know are municipal taxes, sale taxes, state gas revenue taxes, environmental cost recovery adj., energy efficiency programs, franchise cost, considered excise taxation and should be paid or are the above listed items considered tax exempt and therefore not payable. We have included examples for your review. Thank you in advance for responding!

DEPARTMENT'S RESPONSE:

Organizations that are recognized as non-profit under Internal Revenue Code Section 501(c)(3), are not necessarily exempt organizations pursuant to Illinois tax law. Such organizations must obtain an exemption identification number (an "E number") to qualify. See 86 Ill. Adm. Code 130.2007. Organizations that make application to the Department of Revenue and are determined to be exclusively religious, educational, or charitable, receive an E number.

The E number evidences that the Department recognizes the organizations as exempt from incurring Use Tax (often referred to as “sales tax”) when purchasing tangible personal property in furtherance of their organizational purposes. The E number, however, does not exempt organizations from the excise taxes you have identified in the documents attached to your letter (i.e., the Electricity Excise Tax, the Gas Revenue Tax and other charges, fees, and costs that may be added to utility bills). As a result, even though an organization has an E number, it is still liable for those taxes, fees and costs. The E number is issued by the Department as a mechanism to document sales tax exemptions on taxes administered by the Department. We do not collect or administer local utility taxes. You may want to contact the municipality to see what exemptions may be available.

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,

Debra M. Boggess
Associate Counsel

DMB:mdb