

ST 17-0009-GIL 03/15/2017 USE TAX

The Use Tax does not apply to the use in this State of tangible personal property which has been acquired outside this State by a nonresident individual who then brings the property into this State for use here, and who has used the property outside this State for more than 90 days. See 86 Ill. Adm. Code 150.315. (This is a GIL.)

March 15, 2017

Dear Mr. Xxxxx:

This letter is in response to your letter dated February 3, 2017, 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 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:

I am a retired from the U.S. Air Force working for the U.S. federal government in Germany. My three-year tour here is from 15 Jun 2015 to 14 Jun 2018, and I plan to purchase a new vehicle while station here and return back to Illinois. My question, is it true that I can ship my 2017 vehicle from Germany to Illinois and not have to pay sales tax, as long as I own the vehicle in Germany for six months before shipping it to Illinois?

DEPARTMENT'S RESPONSE:

Section 10 of the Use Tax Act, 35 ILCS 105/10, provides that a purchaser of a motor vehicle from an out-of-State retailer shall file a return (Form RUT-25, Motor Vehicle Use Tax Return) with the Department and remit the proper amount of tax due on the selling price of the motor vehicle within 30 days after such motor vehicle is brought into this State for use.

The Use Tax does not apply to the use, in this State, of tangible personal property which is acquired outside this State by a nonresident individual who then brings the property to this State for

use here, and who shall have used the property outside this State for at least 3 months before bringing the property to this State. See 86 Ill. Adm. Code 150.315. However, this exemption is not applicable if the 3-month requirement is not met, or if the purchase is not made by a nonresident individual. Your letter indicates that you will be returning to Illinois upon completion of your tour. If Illinois is your home of record, the nonresident exemption would not apply. If the exemption does not apply, please note that depreciation is allowed for out-of-State use by an Illinois resident. See 86 Ill. Adm. Code 150.105.

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,

Cara Bishop
Senior Counsel

CB:bkl