

A Certificate of Resale must contain the items of information set out in 86 Ill. Adm. Code 130.1405. (This is a GIL).

January 8, 2025

NAME1
COMPANY1
ADDRESS

Dear NAME1:

This letter is in response to your letter dated December 19, 2024, 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 <https://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 writing to get confirmation on if I need to collect sales tax or not. My business name is COMPANY2 DBA COMPANY1 and I sell enclosed trailers. These trailers are built in CITY, STATE, I have them transported to COMPANY1 and I sell the trailer to the consumer or business. These trailers come with a Manufacturer’s Certificate of Origin.

I have a manufacturing company that has bought 2 trailers from us, and they are saying that they should be tax exempt as the product they are buying is not finished on their end and they do a build out on the trailer. The company has a CRT-61 and a sales and use taxes and fee number (NUMBER) both forms are included. Since the trailer is not a finished product on their side, they think they should not have to pay tax.

I need clarification if they must pay tax or not. Please send a response back to me that explains what I need to do and why. This will help in any further

COMPANY1

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discussions, so I know what needs to be done. I have talked to NAME2 in the tax department at the state and she said that you would have to be the one to make the decision.

DEPARTMENT'S RESPONSE:

Under Illinois law, a sale of tangible personal property shall be made tax-free on the ground of being a sale for resale if the purchaser has an active registration number or resale number from the Department and furnishes that number to the seller in connection with certifying to the seller that the sale to such purchaser is nontaxable because of being a sale for resale. Please refer to 35 ILCS 120/2a.

Sales of tangible personal property, which property, to the extent not first subjected to a use for which it was purchased, as an ingredient or constituent, goes into and forms a part of tangible personal property subsequently the subject of a "sale at retail," are not sales at retail, provided that the property purchased is deemed to be purchased for the purpose of resale. See 86 Ill. Adm. Code 130.210.

To purchase items of tangible personal property tax free for the purpose of resale, purchasers must submit properly completed Certificates of Resale to sellers. In order for a Certificate of Resale to be valid in Illinois, it must contain the items of information set out in 86 Ill. Adm. Code 130.1405(b). A properly completed Form CRT-61 may be used to satisfy these requirements.

Although a retail company that normally sells to end users may accept a Certificate of Resale that complies with Section 130.1405, sellers do have an obligation to exercise good faith when accepting Certificates of Resale from purchasers. It has been held to be proper for the Department to not allow Certificates of Resale that contain inaccurate information in the form of inactive or discontinued registration numbers. See *Rock Island Tobacco v Department of Revenue*, 87 Ill. App. 3d 476, 478 (1980).

I hope this information is helpful. If you require additional information, please visit our website at <https://tax.illinois.gov/> or contact the Department's Taxpayer Information Division at 800-732-8866.

Very truly yours,

A handwritten signature in black ink, appearing to read "Samuel J. Moran". The signature is written in a cursive style with a large initial "S".

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Samuel J. Moore
Associate Counsel

SJM:sce