



Local Governments' Guide to Tax Allocations

Retailer Verification by Local Governments

What information is contained in this booklet?

This booklet contains information about the notifications that the Illinois Department of Revenue (IDOR) sends to each municipal and county clerk's office. This booklet provides an overview of the information included in the notifications that are sent to the clerks, examples of the notifications, and an explanation of how the notifications should be used to verify retailers within your taxing jurisdiction.

Each topic of information covered in this booklet is listed below:

- Confirming Business Locations
- Annual Taxpayer Location Address List
- Annual Taxpayer Location Address List Sample and Definitions
- Reviewing the Annual Taxpayer Location Address List
- Tax Location Verification
- Examples of IDOR-50-L-1M

Who receives the notifications?

We send the notifications in the form of lists, letters, reports, and electronically through [MyLocalTax](#) for activated users, to each municipal and county clerk's office.

What is the responsibility of the local government?

You are responsible for thoroughly reviewing all of the notifications that you receive and confirming that the information is accurate or notifying us of any changes or corrections that are needed to ensure proper allocation of sales tax money. Notification must be made within six months, or adjustments cannot be made to previous disbursements. See the topic Confirming Business Locations for a detailed explanation.

Is it to the local government's advantage to review these notifications?

Yes. It is vital that your local government respond to Form IDOR 50-L-1M Taxpayer Notification — Tax Location Verification, and notify IDOR if the address listed is in your taxing jurisdiction or another jurisdiction. It also is vital that your local government thoroughly review the Annual Taxpayer Location Address List to ensure that all taxpayers making retail sales within your taxing jurisdiction are on your list and also that your local government notify us of taxpayers that should be included or should not be included on the list.

This will ensure proper allocation of the Illinois sales tax collected from retail sales made at the address. When the taxing jurisdiction discrepancy is brought to IDOR's attention, we will adjust the previous six months of erroneous disbursements that you received for the taxpayer, so it is to your advantage to report errors as soon as possible. You will receive the money you are due faster, and you will minimize the impact of any money lost due to error.

Why are business locations confirmed?

A law was established in an effort to encourage local and state cooperation to confirm business locations for sales tax purposes. Its ultimate goal was to eliminate the need for tax allocation adjustment. This law added responsibilities for IDOR municipal and county governments, and businesses that collect sales tax. Proper allocation of sales tax money can be accomplished only if all three parties do their part.

How are business locations confirmed?

Each month IDOR sends to the municipal or county clerk an IDOR-50-L-1M, Taxpayer Notification — Tax Location Verification, listing each new or reinstated business that registered with IDOR and any business that discontinued a location in the prior month. The clerks must verify the correct taxing jurisdiction for the business location electronically through [MyLocalTax](#) or by returning the form to IDOR at the address listed in the document.

Why is it important for you to notify us promptly when you discover any errors in business locations?

There is a six-month time limit on adjustments of erroneous disbursements. If you do not notify us promptly of any discrepancies on your various taxpayer address lists, you could lose revenue through erroneous disbursements.

For example, if you receive your annual taxpayer location address list and, when verifying it, discover a business that started operating in your jurisdiction is not listed, you should immediately notify us in writing. For a period of six months prior to the receipt of your notification, any sales tax money generated by that business and disbursed will be adjusted. This could result in thousands of dollars in disbursements that will be taken from one taxing jurisdiction and disbursed to another. Any disbursements that occurred outside of that six-month time period will not be adjusted, which may result in lost revenues for your local government.

What is the retailer's responsibility?

Retailers are required to advise us of location addresses where they conduct retail sales in the state. This information is a required part of the registration application we provide. In addition, retailers are required to inform us anytime an address is changed or an existing location is closed.

What is the Illinois Department of Revenue's responsibility?

We must maintain site location information for retail sales and submit comprehensive notifications to you. We publish two different types of notifications:

- REG702-01, Annual Taxpayer Location Address List. This list is sent once a year to municipal and county clerks electronically through [MyLocalTax](#). Hard copies of the list are available upon request by contacting LTAD. It lists the businesses that have a registered site within their taxing jurisdiction.
- IDOR-50-L-1M, Taxpayer Notification — Tax Location Verification. This notification is sent monthly to municipal and county clerks when a new business has registered, an existing business has been reinstated, a business has changed its registration, or a business has been discontinued in their taxing jurisdiction.

What is the local government's responsibility?

You must thoroughly review all of the notifications that you receive and either verify to us that the information is accurate or notify us that there is a discrepancy to ensure proper allocation of sales tax money. Governments that have activated a [MyLocalTax](#) account will automatically receive correspondence electronically through [MyLocalTax](#).

Note: It is vital that your local government respond to Form IDOR 50-L-1M, Taxpayer Notification — Tax Location Verification, and notify IDOR if the address listed is in your taxing jurisdiction or another jurisdiction. This will ensure proper allocation of the Illinois sales tax collected from retail sales made at the address. When the taxing jurisdiction discrepancy is brought to IDOR's attention, we will adjust the previous six months of erroneous disbursements that you received for the taxpayer, so it is to your advantage to report errors as soon as possible. You will receive the money you are due faster, and you will minimize the impact of any money lost due to error.

Will there be businesses that do not appear on your lists?

Yes. The list includes only those businesses that have registered with IDOR to sell tangible personal property at retail and are registered to report retail sales within your taxing jurisdiction. There are many types of businesses that provide a service but do not sell tangible personal property at retail.

A service business is required to charge sales tax on the merchandise it transfers (sells) to its customers as part of the service it provides when the annual aggregate cost of the merchandise reaches a specified percentage of the total charge for both merchandise transferred and service provided. For most service businesses, the annual aggregate cost must be 35 percent or more of annual gross receipts. In the case of pharmacists and persons engaged in graphic arts production, the required percentage increases to 75 percent. Some businesses that do not meet these percentage requirements elect to register and charge sales tax anyway.

Service businesses that do not meet these registration requirements and that are not also in business as retailers pay tax to their suppliers on the items they purchase and ultimately transfer the cost to their customers as incident to the service they provide.

Although there can be exceptions, the following is a list of service businesses that typically do not sell tangible personal property at retail and will not be found on your list. This list is not exhaustive, and other businesses may be excluded by the same criteria.

- Real estate companies
- Construction contractors
- Wholesalers and manufacturers
- Barber shops, hair salons, and nail salons that do not sell merchandise
- Financial institutions
- Repair shops

How is this list produced?

The Annual Taxpayer Location Address List is produced from data contained in our business registration system. The list is generated for each municipal and county government. The state has been divided into 12 zones with lists for one of the zones generated each month. The lists are sent to the municipal or county clerk electronically through [MyLocalTax](#). Hard copies of the list are available upon request by contacting LTAD.

To determine which zone includes your unit of local government, please see the map of the reporting zones and a schedule of the zone and month in which the Annual Taxpayer Location Address List is produced on page 7 below.

What information is provided on this list?

In general, the Annual Taxpayer Location Address List contains those active businesses that are registered to conduct retail sales within your taxing jurisdiction.

Specifically, the list contains the following information:

- Illinois Account ID number
- Sequence number
- Type of filer:
 - Permanent Location (PL). The taxpayer conducts retail sales from a permanent retail outlet within your taxing jurisdiction.
 - Changing Locations (CL). The taxpayer has no permanent place of business within your taxing jurisdiction but conducts intermittent retail sales in your jurisdiction (*e.g.*, Avon, Tupperware, etc.).
 - Temporary Locations (TL). The taxpayer conducts retail sales from a temporary place of business within your taxing jurisdiction for a limited time (*e.g.*, mall kiosks during holiday seasons).
- Business name (DBA), as well as the owning entity, if it is different
- Street address of each retail outlet within your jurisdiction as provided to us by the retailer. The address will reflect the taxpayer's principal place of business.
- Standard Industrial Classification (SIC) Code
- Special notations indicating the total number of taxable location sites registered for your taxing jurisdiction

Note: You can request an updated taxpayer listing throughout the year. The request must be in writing and can be submitted electronically through [MyLocalTax](#), by email, or by mailing it to the address listed below.

**Can you request
the list for a
neighboring local
government?**

Yes. If you are a municipality, you may request a list for a bordering jurisdiction; or for the county government in which you are incorporated, or for a municipality having a similar name to your own. (For example, Wilmington located in Greene County could request a copy of the list produced for Wilmington in Will County., or Palos Park could request a copy of the report produced for Palos Heights or Palos Hills). If you are a county government, you may request lists for all municipalities incorporated within your county, as well as bordering jurisdictions.

**Where do you
send your
request?**

Requests for a neighboring local government's list or for an updated taxpayer listing should be sent either electronically through [MyLocalTax](#), or to the following address:

**ILLINOIS DEPARTMENT OF REVENUE
LOCAL TAX ALLOCATION DIVISION (3-500)
101 W JEFFERSON ST
SPRINGFIELD IL 62702**

Rev.localtax@illinois.gov

Phone: **217 785-6518**

Fax: **217 785-6527**

Annual Taxpayer Location Address List

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The annual taxpayer location address list is produced for each municipal and county government. The state has been divided into 12 zones in order to produce this list.

Lists for one zone are produced each month based on the following schedule.

- Zone 1 August
- Zone 2 September
- Zone 3 October
- Zone 4 November
- Zone 5 December
- Zone 6 January
- Zone 7 February
- Zone 8 March
- Zone 9 April
- Zone 10 May
- Zone 11 June
- Zone 12 July



Retailer Verification by Local Governments

Annual Taxpayer Location Address List Sample and Definitions

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|------|-------------|--------------|---------|------|------|---------------|-----|------------|------------|------|----|------------|
| Loc. | Account No. | Account Type | Site ID | Type | SIC | Business Name | DBA | Street | Street 2 | City | St | Zip |
| Any | 0000-0000 | ST1 | 0 | CL | 0000 | Example Inc | Ex. | 123 Street | 456 Street | Any | IL | 00000-0000 |

- 1 Location code** This is a numeric code assigned to each unit of local government. This code provides us with the identity of a specific taxing jurisdiction and controls allocation.
- 2 Account Number** This is a unique identification number we issue to every business registered to operate in Illinois.
It is a two-part, eight-digit number that appears as “#####-#####.”
It is important to note that not all businesses that are issued an Account ID number would be liable for sales tax. Some businesses are liable for Business Income Tax or Withholding Tax only.
- 3 Account Type** This indicates the account is a Sales and Use Tax Account.
- 4 Site ID** If a business has multiple retail outlets within a jurisdiction, a sequence number will be assigned to each of those multiple outlets. The primary purpose of this number is to provide identification during processing. Initially, the active numbers will appear in sequence on your lists. However, as changes occur due to discontinuation or physical relocations, the numbers may appear out of sequence.
- 5 Type**
- Permanent Location (PL)** - This taxpayer conducts retail sales from a permanent retail outlet within your taxing jurisdiction.
- Changing Location (CL)** - This taxpayer has no permanent place of business within your taxing jurisdiction but conducts intermittent retail sales there. (e.g., Avon, Tupperware, etc.)
- Note:** The address appearing on your list is often that of the corporate office, which may be located outside of Illinois.
- Temporary Location (TL)** - This taxpayer conducts retail sales from a temporary place of business within your taxing jurisdiction for a limited time (e.g., mall kiosks during holiday seasons).
- Note:** The address appearing on your list is often that of the corporate office, which may be located outside of Illinois.

Annual Taxpayer Location Address List Sample and Definitions

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- 6 SIC** This is a business classification code that is assigned to each business.
- Example: Grocery stores 5411
 Automobile dealers 5511
- 7 Business Name** The owning entity or corporation name.
- 8 DBA** This is the trade name under which the retailer conducts business, if different from the owning entity or corporation name. In some cases IDOR may not have all DBAs.

How should you use this list?

The Annual Taxpayer Location Address List is a tool you can use to ensure that the businesses from which you receive sales tax are, in fact, those from which you should receive tax.

You may want to follow some of our recommendations on how to review this list and proceed with any resulting findings.

- Examine the list by comparing it with local license records, utility records, or other sources at your disposal.
- Obtain the Illinois Account ID number of businesses within your taxing jurisdiction from license applications or from other dealings with these businesses.
- To ensure that the businesses are registered for your local government, keep a file of the Illinois Account ID numbers and compare your file with those appearing on the taxpayer list.

When and how should you notify us of any discrepancies?

You should notify us either electronically through [MyLocalTax](#) or in writing if any of the following applies:

- A business selling tangible personal property at retail within your jurisdiction does not appear on your Annual Taxpayer Location Address List. Please provide the Illinois Account ID number, the name of the business, the physical address of the business where retail sales are being made, the name of the owner, the start date of the business, and the type of retail sales being made.
- A business included on your list is not a business operating within your corporate limits. Please provide the proper taxing jurisdiction, if known.
- The information on the list is incorrect.
- You have any other questions concerning a business being registered for your taxing jurisdiction.

How do you contact us?

You may contact us either electronically through [MyLocalTax](#), or at the contact information listed below.

**LOCAL TAX ALLOCATION DIVISION (3-500)
ILLINOIS DEPARTMENT OF REVENUE
101 W JEFFERSON ST
SPRINGFIELD IL 62702**

Phone: 217 785-6518
Fax: 217 785-6527

Rev.localtax@illinois.gov

Reviewing the Annual Taxpayer Location Address List

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What information do you need to provide to us?

When notifying us of a business or businesses within your taxing jurisdiction that are liable for sales tax and are not on your list, tell us the

- name of the business,
- name of the owner,
- address of the business,
- Illinois Account ID number or sales tax registration number,
- start date of the business, and
- type of retail sales being made.

When and why are these letters and lists sent?

We generate and mail on a monthly basis an IDOR-50-L-1M, Taxpayer Notification — Tax Location Verification, to notify you of new business openings, changes to existing registration of businesses, and discontinuation of businesses within your taxing jurisdiction. If there has been no activity to accounts within your taxing jurisdiction, we will not mail the IDOR-50-L-1M. These letters will be sent electronically through [MyLocalTax](#), or through the mail if your local government does not have an account.

What information is provided to you on the IDOR-50-L-1M?

IDOR-50-L-1M and its attachments list the business name, doing business as (DBA) name (if applicable), Illinois Account ID number, address, and site location number for

- new registrations, reinstatements, and corrections;
- discontinued accounts; and
- sites verified by the Local Tax Allocation Division (LTAD).

What is the local government's responsibility in reviewing the IDOR-50-L-1M?

You should verify that the businesses listed are located in your taxing jurisdiction, offer any comments to clarify the situation, and return any corrections to us. You can respond to us either directly through [MyLocalTax](#), or by returning the IDOR-50-L-1M to us by mail. You must notify us whether the business is or is not located in your taxing jurisdiction.

Your prompt verification of the information in this letter is critical to ensure proper allocation of the Illinois sales tax collected from retail sales made at the business. Please notify us as soon as possible if you note any discrepancy when you review these lists.

What happens if the IDOR-50-L-1M is not verified?

Verification of the IDOR 50-L-1M is vital to ensure proper allocation of the Illinois sales tax collected from retail sales made at the address. When the taxing jurisdiction discrepancy is brought to IDOR's attention, we will adjust the previous six months of erroneous disbursements that you received for the taxpayer, so it is to your advantage to report errors as soon as possible. You will receive the money you are due faster, and you will minimize the impact of any money lost due to error.

Tax Location Verification

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Where do you send verification notices and questions?

Verification of the IDOR-50-L-1M can be completed electronically through [MyLocalTax](#), or it can be mailed to the address listed below. Questions concerning these letters and accompanying attachments, should be directed to:

**LOCAL TAX ALLOCATION DIVISION (3-500)
ILLINOIS DEPARTMENT OF REVENUE
101 W JEFFERSON ST
SPRINGFIELD IL 62702**

Phone: 217 785-6518
Fax: 217 785-6527

Rev.localtax@illinois.gov

Note: Please do not send the paper copy to our office if the verification was completed online.

Retailer Verification by Local Governments

Example of IDOR-50-L-1M, Tax Location Verification



<ACS Line>

<Month dd, yyyy>

<Name>

<Letter ID barcode>

<Street address>

Letter ID:

<Second address - if applicable>

Location code:

<City, State, ZIP>

Please update your allocation information.

The Department updates registration information based on input from taxpayers, auditors, collectors and other Department employees. Because there has been activity on taxpayer accounts within your jurisdiction during the last month, we have attached a detailed list for your review. Your verification ensures that your taxing jurisdiction receives proper allocation of tax revenue.

<(Print if applicable for business district) **Note:** Your municipality has an established business district which applies to retailers located within a designated area. We have included the business district name when applicable.>

We encourage you to verify this information online at mytax.illinois.gov/MyLocalTax using the "I want to" links "Respond to Tax Location Verification" or "Verify Tax Locations." If the information for a given business is incorrect, you must manually update the information. In addition, users will be able to view/print prior correspondence, request/receive reports, submit inquiries, and request updates to their accounts.

If corrections are needed, please log in to MyLocalTax to make the corrections within 20 days from the date of this letter. Failure to respond timely could cause allocations to be incorrectly dispersed. Though MyLocalTax is preferred, you may also make the corrections on the attached list and return it to the address listed below.

Note: We include a listing of locations that have been verified by the Local Tax Allocation Division (LTAD) to be within your taxing jurisdiction. No action is required on those sites, unless a discrepancy is found. If you believe a location that we have verified is actually not within your taxing jurisdiction, please contact us immediately either directly through MyLocalTax, or at the contact information listed below.

**LOCAL TAX ALLOCATION DIVISION 3-500
ILLINOIS DEPARTMENT OF REVENUE
101 WEST JEFFERSON STREET
SPRINGFIELD IL 62702
Rev.localtax@illinois.gov**

**217 785-6518 phone
217 785-6527 fax
Enclosure(s)**

Example of IDOR-50-L-1M, Tax Location Verification

Retailer Verification by Local Governments

Letter ID:
<Month dd, yyyy>
Location code:
Jurisdiction:

Illinois Department of Revenue New, Reinstated, or Registration Changes

Please verify the following information and provide any missing or corrected information.
Use the comment area for any information that may assist us in determining a correct taxing jurisdiction.

<(Print if applicable - for a business district) **Note:** Your municipality has an established business district which applies to retailers located within a designated area. We have included the business district name when applicable.>

Please identify a contact: **Name:** _____ **Telephone:** (____) ____ - _____

Account ID: <business name> <street address of business> <city state, ZIP of business>

Seq no.: **DBA:** **County:**

<**Business District Tax:** (print business district name if applicable)>

Is this address within your <corporate limits> <unincorporated areas>? Yes No If NO provide the correct taxing jurisdiction.

Comments/correct jurisdiction: _____

Account ID: <business name> <street address of business> <city state, ZIP of business>

Seq no.: **DBA:** **County:**

<**Business District Tax:** (print business district name if applicable)>

Is this address within your <corporate limits> <unincorporated areas>? Yes No If NO provide the correct taxing jurisdiction.

Comments/correct jurisdiction: _____

Discontinued

Account ID: <business name> <street address of business> <city state, ZIP of business>

Seq no.: **DBA:** **County:**

Comments/correct jurisdiction: _____

IDOR-50-L-1M (R-12/18)

Retailer Verification by Local Governments

Example of IDOR-50-L-1M, Tax Location Verification

Letter ID:
<Month dd, yyyy>
Location code:
Jurisdiction:

Illinois Department of Revenue
Verified by Local Tax Allocation Division (LTAD)

Using the property tax information from the county, the following locations have been verified by LTAD to be within your taxing jurisdiction. No action is required on the sites listed below, unless a discrepancy is found. If you believe a location listed is not actually within your taxing jurisdiction, please contact us immediately at 217 785-6518.

<(Print if applicable - for a business district) **Note:** Your municipality has an established business district which applies to retailers located within a designated area. We have included the business district name when applicable.>

Account ID: <business name> <street address of business> <city state, ZIP of business>

Seq no.: **DBA:** **County:**

<**Business District Tax:** (print business district name if applicable)>

Account ID: <business name> <street address of business> <city state, ZIP of business>

Seq no.: **DBA:** **County:**

<**Business District Tax:** (print business district name if applicable)>

Account ID: <business name> <street address of business> <city state, ZIP of business>

Seq no.: **DBA:** **County:**

<**Business District Tax:** (print business district name if applicable)>

Account ID: <business name> <street address of business> <city state, ZIP of business>

Seq no.: **DBA:** **County:**

<**Business District Tax:** (print business district name if applicable)>

IDOR-50-L-1M (R-12/18)